WEST ORANGE COUNTY CONSORTIUM FOR SPECIAL EDUCATION
MEETING OF THE WOCCSE SUPERINTENDENTS' COUNCIL

December 14, 2016
4:00 p.m.

Huntington Beach Union High School District
5832 Bolsa Avenue, Huntington Beach, CA

AGENDA

I. CALL TO ORDER

II. PLEDGE OF ALLEGIANCE

III. APPROVAL OF MINUTES: Regular meeting of the WOCCSE Superintendents' Council on September 21, 2016.
(Reference III)

(Action)

IV. PRELIMINARY FUNCTIONS

A. WOCCSE Recognition

WOCCSE Executive Director's Comments: Recognition will be presented to staff who have gone "above and beyond" to serve students in their districts.

B. Oral Communication from the Audience to the WOCCSE Superintendents' Council

Anyone desiring to address the WOCCSE Superintendents' Council on any agenda item may request to do so at this time. FIVE MINUTES will be allotted each person at the time he or she speaks to the agenda item. IT IS REQUESTED THAT QUESTIONS OR REMARKS BE ADDRESSED TO THE CHAIR FROM THE PODIUM.

V. REPORTS

A. Orange County Special Education Alliance Review Committee Update

WOCCSE Executive Director's Comments: Staff will present an update on Orange County Special Ed Alliance Review Committee. (Reference V-A)

(Information)

THE PROCEEDING OF THIS MEETING ARE BEING TAPE RECORDED

V. REPORTS - Continued

B. WOCCSE Strategic Plan Update

WOCCSE Executive Director's Comments: Staff will present an update regarding the WOCCSE Strategic Plan. (Reference V-B)

(Information)

C. WOCCSE Fiscal Update

WOCCSE Executive Director's Comments: Staff will present update on WOCCSE Interim Budget, MOE and Excess Cost. (Reference V-C)

(Information)

D. Legislative/Policy Update

WOCCSE Executive Director's Comments: Staff will present information regarding current state and local policy and legislative matters. (Reference V-D)

(Information)

VI. **ANY OTHER PUBLIC COMMUNICATIONS TO THE WOCCSE SUPERINTENDENTS' COUNCIL (time limit 3 minutes)**

VII. ADJOURNMENT

Next WOCCSE Superintendents' Council Meeting:
March 8, 2017
4:00

WEST ORANGE COUNTY CONSORTIUM FOR SPECIAL EDUCATION

MINUTES OF THE WOCCSE SUPERINTENDENTS' COUNCIL

September 21, 2016

COUNCIL MEMBERS PRESENT	Dr. Carol Hansen/OVSD Gregg Haulk/HBC Dr. Marian Phelps/WSD Dr. Alan Rasmussen/HBUHSD (Interim Superintendent)
COUNCIL MEMBERS ABSENT	Dr. Mark Johnson/FVSD
ADMINISTRATIVE PERSONNEL ABSENT	None
PLACE AND DATE OF MEETING	Huntington Beach Union High School District Board Room September 21, 2016
CALL TO ORDER (I)	The meeting was called to order by Dr. Marian Phelps at 4:01 p.m.
FLAG SALUTE (II)	The Pledge of Allegiance was lead by Dr. Carol Hansen.
APPROVAL OF MINUTES (III)	It was moved by Gregg Haulk, seconded by Dr. Hansen, that the minutes of the WOCCSE Superintendents' Council meeting on May 18, 2016 and June 15, 2016 be approved as presented. Motion unanimously carried.
WOCCSE Recognition (IV-A)	Anne Delfosse, WOCCSE Executive Director, introduced the following honorees for the "Above and Beyond" recognition award from HBC and WSD. Anne shared the following on each honoree: <u>Brittany Baker</u> Brittany is HBC's Behavior Support Team Lead Paraprofessional. She is consistently described as "the Queen of Behavior Management" and is a master at her craft. In all situations, working with staff, parents, and students, she is professional, precise, compassionate, and a great communicator. When engaged in helping solve behavior challenges, she does it in a collaborative and efficient manner and never takes anything personal, which promotes effective communication and trust among staff. She is confident in her skills to stand firm on her expectations of staff.

WOCCSE Recognition - continued

Brittany makes every effort to promote staff learning. She is a master at modeling what she wants staff to do, and then coaches them as they learn and apply appropriate behavioral strategies. She has the ability to map her day assisting staff with consistency, and yet is flexible enough to honor requests when teams are in crisis mode.

Brittany is the first to celebrate students' and staffs' accomplishments. She is discrete, creative, hardworking, respectful, and always willing to go the extra mile! She assists team members in planning for behavioral data collection and assists in compiling and graphing this information so it can be used to assist the staff in recommending and implementing appropriate behavior targeted supports.

In addition to District duties, Brittany also participates in the WOCCSE Behavior Support Team PLC. Her collaboration with this group serves not only HBCSD, but other districts as well.

Mrs. Delfosse and the Council recognized Brittany for going above and beyond to serve students with disabilities.

Recognition was also given to the WSD Interpreters:
Spanish Interpreters: Christopher Carrillo, Monica Munoz, and Erika Weinraub and Vietnamese Interpreters: Lian Baker, Diep Vu, and Thu Vu.

Anne shared that the Westminster School District interpreters/translators each go above and beyond on a daily basis to support staff, special education students, and their families. Their primary role in IEP meetings is to serve as interpreters in the exchange of information and conversation.

However, they have developed and display skills that go beyond this. As they translate, they are each able to understand intent and read non-verbal language. This results in meetings that are truly meaningful, where parents feel they have participated in a significant way and where staff feel confident that the information was delivered with accuracy and sensitivity when called for.

Besides interpreting during meetings, they work with team members and parents to translate assessment scales and pages of multidisciplinary team reports. As a result, some might say that this group knows more about specific disabilities than many educators!

Their skill in interpreting and translating has helped us to build better parent relationships, build bridges to the community, and connect school and home so that our students can thrive.

WOCCSE Recognition - continued

The Superintendents' Council joined in congratulating this special group for going above and beyond in service to students with disabilities.

PRELIMINARY FUNCTIONS – Oral Communication (IV-B)

None

REPORTS
Legislative Update (V-A)

Anne Delfosse presented a legislative update on the following bills:

(SB) 123 which has been enrolled and presented to the governor….supported by CSBA. This bill ***revises claiming options*** for the school based Medi-Cal program.
It is primarily aimed at allowing LEAs to contract directly with the state Department of Health Care Services to recover LEA Medi-Cal billing, rather than having to go through a management company.

SB 884 (Beall)—Use of Mental Health Funding. This bill was enrolled and presented to the governor on August 30th. In summary, it requires a **onetime audit** through the K12 Annual Audit Guide to include a procedure to review "***whether funding for educationally related mental health services was used by (LEAs) for its intended purposes*** in the 2016–2017 fiscal year."

The bill also requires the CDE to report to the Legislature by June 30, 2017, (1) its ***compliance findings and corrective action plans related to the provision of mental health services*** for pupils with individualized education programs using data the department collects through its verification and comprehensive reviews; and, (2) ***outcomes for pupils receiving mental health services through an individualized education program***, including graduation rates, dropout rates, suspension/expulsion rates; participation in general education classes, statewide assessment results, and post-school outcomes. (Using Current Annual Performance Indicator Targets)

SB 1113 (Beall)—County and Local Educational Agency Partnership Fund. This bill has also been enrolled and presented to the governor on August 15th. This bill establishes a county mental health agency and school agency partnership fund for the purpose of covering the cost of certain mental health services provided to children with and without disabilities.
There is no funding in the bill or in the 2016-17 State Budget to pay for the partnership pilot program, which makes it unlikely to be signed into law.

Legislative Update – continued

Mrs. Delfosse stated that there was a state collaborative group that was working on a remedy to the problem of a 20 day limit on non-credentialed subs for statutory leaves. Resulting from the work of this collaborative, there has been a change to the CA Code of Regulations allowing for the **Teaching Permit for Statutory Leaves**.

Anne summarized the following:

- Teaching Permit for Statutory Leaves allows LEAs to fill assignments where a teacher will be out for a statutory leave for more than 30 days (20 days for special education)
- Candidate requirements for Issuance of the Permit by the LEA
- Preparation requirements include a 45 hour focused training in 12 broad content areas
- Monitoring and Reporting Requirements
- Teaching Permit for Statutory Leave requirements are to be overseen by the LEA requesting the permit.

Anne also stated that although this seems like more work up front, having permit holders for statutory leave assignments may save the district in the long run from having to change out substitutes every 20 days.

It is a best practice for students when a highly qualified substitute can't be found for extended leaves.

Also, this permit is not to be used to fill vacancies.

Mrs. Delfosse presented information on the **California Children's Services** that was developed by the State SELPA Directors.

Anne shared with the Council that although school districts are responsible for working cooperatively with other public and private agencies, more than 30 years after the legislature established a mandate for interagency responsibility for OT and PT services, ***the approach is no longer meeting the needs of CCS, our students, or school districts for these reasons:***

Changes in delivery models. Medical Therapy Units (one of which Westminster School Districts provides) no longer meet the requirements of the Least Restrictive Environment.
Lack of Cooperation: The last MOU that was signed between OC SELPAs and CCS was in 2003. CCS is no longer providing services to students in the school setting.

Legislative Update – continued

Legal Disputes: Recent due process cases and court appeals (involving Orange County) have resulted in decisions that conflict regarding the amount of authority CCS has to make decisions that may impact a child's education outcomes and compliance with the IDEA.

Improper Use of Special Education Resources
Local, state, and federal funds apportioned to SELPAs and LEAs are for the provision of special education and related services to individuals with exceptional needs. SELPAs and LEAs spend millions of dollars on Medical Therapy Unit facilities. Not all students served there are eligible under the IDEA. CCS provides medically necessary services, not what is educationally related, and do not need to comply with the IEP.

Proposed Remedies

- MTUs do not need to be located on public school campuses in order to provide quality medical care and coordination of medically necessary services and resources.
- MTUs should be folded into the proposed CCS whole-child model to better coordinate and ensure access to an array of medically necessary services; as schools continue to assess students' needs for educationally related services to be provided during the student's instructional day in the LRE.
- To accomplish this, one remedy would be to repeal the provisions of Government Code Sections 7570-7575 related to interagency responsibilities for OT and PT in the same manner that AB114 repealed the interagency responsibilities for mental health services.
- OC SELPA Directors, in conjunction with the OC Special Education Alliance, will be working toward advocacy efforts related to these proposed remedies.

REPORTS
ADR/Due Process Update (V-B)

Nancy Finch-Heuerman, WOCCSE Director, presented information regarding the number of alternative dispute resolution meetings, due process hearings and compliance complaints within the five member school districts for the last school year.

Charts were provided showing the total number of ADR meetings held for each school district and total number of ADR meetings for all of WOCCSE.

- **Alternative Dispute Resolution (ADR) Process Summary:** sessions held; ADR invitations declined by parents; unresolved or filed for due process; total ADR Settlement Agreements and pending ADR carried over into 2016-2017
  ADR requests went up significantly.

ADR/Due Process – Update Continued

A similar chart was presented showing the number of all due process filings for each district and then the total number of filings for all of WOCCSE.

- **Due Process (DP) Summary:** DP filed by parents; DP filed by District; DP resolved at Resolution Session; DP resolved at Mediation; DP resolved outside Resolution/Mediation; DP withdrawn by parent/district; DP Hearings completed; DP filings carried over into 2016-2017
  The number of due process filings for all of the districts decreased by approximately 35%.

- **Compliance Complaints Summary:** received; withdrawn by parents; resolved with corrective actions ordered; resolved with no corrective actions ordered

- Presented was a year-by-year total of Due Process Filings and ADR Requests from 2010 to 2016.

Mrs. Finch-Heuerman stated that it is always preferable to have the number of ADRs on the rise and the number of due process requests on the decrease - indicating that our school districts are all making efforts to resolve disputes as quickly as possible. Nancy also stated that WOCCSE will continue its efforts to work with the districts through the ADR process to resolve parent concerns as soon as possible and reduce the number of due process filings.

REPORTS
Professional Development (V-C)

Lindy Leech-Painter provided an overview of the upcoming meetings and trainings that WOCCSE helps facilitate.

Brief descriptions of each meeting/training were outlined:

- Many of the meetings are regularly scheduled PLC meetings for WOCCSE's itinerant and support staff (OTs, PTs, VIs, Program Specialists, ATs and AAC)
- Other meetings focus on District level PLCs , such as Directors' Council, Key Leaders, and the districts' autism and behavior coaches as well as the PLC for the teacher facilitators of the Unique Learning System curriculum
- Several are professional development opportunities that are offered to the member districts
- Procedure Reviews - WOCCSE goes out and meets with the special education staff in each elementary district and individual high schools – these trainings happen twice a year – fall and spring - it's WOCCSE's opportunity to talk with specialist regarding new forms, updates to programs or procedures, etc.
- WOCCSE is offering a New Teacher Academy for any new specialist

Professional Development - continued

- Michelle Anderson will be leading three five day trainings on the Principles of Applied Behavior Analysis to assist school teams as the Districts shift from individual DTT to more ABA embedded classrooms
- Melissa Pattullo will once again be offering the Assistive Technology Certificate course which helps the districts' specialist and SLPS build capacity in that area
- WOCCSE will be hosting three trainings offered by the Diagnostic Center of Southern California – the first one will be in November and center on Dyslexia, in January there will be a full day training on Cognitive Behavioral Techniques for Educators, and the last training will be in March and that one will center on the assessment and intervention of Executive Function Difficulties
- Trainings that are in the process of being scheduled: the DRDP, Better Speech & Hearing Month, and Administrators' Focus Group

Dr. Phelps thanked Michelle Anderson, Lindy Leech-Painter and Nancy Finch-Heuerman for participating in WSD's Professional Development Day. Michelle presented "Instructional Strategies for Working with Students with Autism" and Lindy and Nancy presented WOCCSEs Procedure Review.

REPORTS
MOE and Excess Cost Report (V-D)

Rachel Rios, WOCCSE Fiscal Manager, provided reports on the following:

- Ms Rios stated that the MOE and Excess Cost Reports are due to CDE by November 15, 2016. Summary and comparison reports will be presented at the December Superintendents' Council meeting.

- An update on the WOCCSE Budget for FY 2015-2016 was presented. The report shows the final 2015-2016 Unaudited Actuals close out compared to the Estimated Actuals presented at the June 15th meeting.

- Total WOCCSE Income without Non-Shared programs and WOCCSE Budget Administrative Costs increased by approximately $77,000 from Estimated Actuals due to:
  - An increase in facilities cost at year-end
  - Carryover funds for Low Incidence materials and Staff Development funds to be utilized in the new year.

- Non-Shared programs increased by approximately $363,000 from Estimated Actuals due to:
  - The Assistive Technology/Augmentative and Alternative Communication (AT/AAC) Specialist position added last year and not included in the Estimated Actuals

MOE and Excess Cost Report - continued

- An increase in RTC/NPS Contract costs at the end of the year
- An increase in County Tuition costs for Special Circumstance 1:1 Aides was not included in Estimated Actuals

- Summaries of current NPS/NPA contract costs for each District were submitted for approval through September Board meetings. In total, there are approximately $3.2 million is contract costs with $1.7 million in Mental Health funding.
- An update of the FY 2016-2017 Mental Health Funding Distribution are as follows:
  - The Federal award is estimated based on last year's actual award amount.
  - The State entitlement award is estimated based on CDE's projection of $60 per 2015-2016 P2 ADA.
  - The final state entitlement will be calculated in July 2017 based on 2016-2017 P2 ADA.
  - Total SELPA costs have been updated, including the $1.7 million in NPS/NPA contract costs.
  - Remaining allocations have been distributed to Districts per 2015-2016 P2 ADA amounts.

WOCCSE STRATEGIC PLAN (VI)

Mrs. Delfosse presented the 2016-2017 Strategic Plan for approval.

Following is an outline of what was presented:

WOCCSE Mission and Vision. These drive the work of the SELPA. With student access, growth and success as our ultimate vision, we work collaboratively with our member districts to provide support to staff, students, and their families.

The Process Summary
In the Spring of each year, WOCCSE begins an analysis of strengths, weaknesses, threats and opportunities. WOCCSE surveys staff across all member districts and conducts at least four separate retreat days with WOCCSE staff and District Directors. Together they analyze data relative to several areas including program, student placement and staff development from the ending year in order to make recommendations for the coming year.

Key Areas of Support provided to member Districts :
The first is improving ***Student Outcome***. WOCCSE supports member districts through the provision of:

- program support and development (eg: MH, ED, Autism, Early Start, PreK)

WOCCSE Strategic Plan – continued

- case management and support of NPS, RTC, infants (0 to 3 population)
- services for students (OT, PT, VI, Assistive Technology, DHH and Audiological Services)
- Behavior Intervention and Support
- Curriculum and Instruction Support

The next key area of support is ***Professional Development.*** WOCCSE provides professional development in a variety of ways across several areas including:

- Administrator training
- Practitioner training in several areas including: assessment and evaluation, instructional strategies, behavior management and intervention, procedures and compliance.
- Coaching and Support of facilitators

Another Key area of support *is* ***Compliance and Dispute Resolution.*** WOCCSE provides:

- Regular updates on procedures
- Facilitation of Alternative Dispute Resolution
- Compliance monitoring and support
- Support with Due Process proceedings
- Performance and compliance indicator support as needed

WOCCSE provides support in several areas related to ***general operations and communication*** (both internal and external) and advocacy.

***Goals and Objectives*:**

In the Area of Program Support:

- WOCCSE will be building and leading a systematic approach toward evolutionary changes in the Autism program. In addition to providing training in evidenced based practices, WOCCSE is developing a coaching model that will involve a cohort for collaboration and support
- Revising the Behavior Support Team model to be more of a mentor/coaching model for site teams
- Continue Systems of Support for the Unique Learning System (the curriculum used k-12 for students with the most significant disabilities)

In the Area of Professional Development:

- Expand training opportunities for Psychologists and Speech Pathologists
- Continue to offer training to Administration (facilitating IEPs, program evaluation)

WOCCSE Strategic Plan - continued

- Develop and Implement New Teacher Training Modules
- Provide other teacher training in selected topics
- Continue Pro-ACT Training and Procedure Reviews
- Continue to explore development of web-based learning opportunities

In the areas of General Operations:

- Improve fiscal reporting process
- Institute a more efficient use of technology for sharing agendas
- Increase meeting times and adjust meeting schedules to allow for more discussion among district directors
- Continue to meet with key leaders
- Clarify the purpose, process, and structure of the Community Advisory Council
- Re-Develop the WOCCSE Website

It was moved by Dr. Rasmussen and seconded by Dr. Hansen that the WOCCSE Strategic Plan for 2016-2017 be approved as presented.

Motion unanimously carried.

PUBLIC COMMUNICATION (VII)

None

CLOSED SESSION (VIII)

None

ADJOURNMENT (IX)

Dr. Phelps adjourned the public meeting at 4:48 p.m.

September 23, 2016
9:00 a.m., Room D1009
Orange County Department of Education
200 Kalmus Drive
Costa Mesa, California 92628
www.specialedallliance.org

ORANGE COUNTY SPECIAL EDUCATION ALLIANCE
REVIEW COMMITTEE SPECIAL MINUTES (DRAFT)
September 23, 2016

A. Call to Order: The meeting was called to order at 9:01 a.m. at the Orange County Department of Education in Costa Mesa, California, in Room D1009.

B. Roll Call: Present were the following: Frank Donavan, Chair, Superintendent, Magnolia School District; Clint Harwick, Superintendent, Saddleback Valley Unified School District; Mike Christensen, Superintendent, Orange Unified School District; Lorraine Rae, Assistant Superintendent, Special Education/Student Services, Garden Grove Unified School District; Doreen Lohnes, Assistant Superintendent, Support Services/SELPA, Santa Ana Unified School District; Kevin Smith, Director of Fiscal Services, Huntington Beach Union High School District; Lysa Saltzman, Counsel, Orange County Department of Education and Michele Kaufman, Executive Assistant, Orange County Special Education Alliance.

C. Introductions: Dennis Roberson, Chief, Special Education Services, Orange County Department of Education; Ruth Diep, Counsel, Orange County Department of Education.

D. Approval of Minutes: The minutes from the May 20, 2016 Review Committee meeting were reviewed. There was a motion to approve the minutes by Clint Harwick, Superintendent, Saddleback Valley Unified School District seconded by Lorraine Rae, Assistant Superintendent, Special Education/Student Services, Garden Grove Unified School District. The minutes were unanimously approved.

E. Public Comments: There were no public comments.

F. Action & Discussion Items:

1. Professional Development Sub-Committee Report: Lorraine Rae presented the Professional Development report. The SELPA directors plan to keep in touch with Miriam Freedman and would like to invite her back next year to follow up on her spring presentation, "Toward Educating All Students in the Twenty First Century." Ms. Freeman is currently writing a book and is not available this year to present. The professional development sub-committee plans to offer a legal panel presentation to Orange County teachers and administrators featuring attorneys Dan Harbottle, Adam Newman and Jack Clark. Each will present on a specific topic followed by a Q & A panel. The presentation is scheduled to take place in January 2017.

In addition, the professional development sub-committee is interested in contracting with Alternative Dispute Resolution specialist Gail Nugent. The idea is for Ms. Nugent to work individually with each SELPA for a total of 12 hours during the school year. Districts would be able to utilize her services based on their specific needs which could include alternative dispute resolution trainings, writing IEPs, working with CACs, etc., depending upon the SELPA's needs. The professional development sub-committee will present a detailed proposal of these two events at the November 18, 2016 meeting.

1.1 Advocacy Sub-Committee Report: Doreen Lohnes, Assistant Superintendent, Support Services/SELPA, Santa Ana Unified School District shared that she would like advocacy events this year to focus on visiting local legislatures and talking with their staff. She hopes to establish a monthly visitation schedule for members to visit legislators and would like see a commitment of two meetings per school year. The Alliance will continue to sponsor parents and districts for Legislative Action Day.

1.2 Filling of Review Committee Vacancies: There was a motion by Lorraine Rae, Assistant Superintendent, Special Education/Student Services, Garden Grove Unified School District, seconded by Clint Harwick, Superintendent Saddleback Valley Unified School District, to nominate Doreen Lohnes, Assistant Superintendent, Support Services/SELPA, Santa Ana Unified School District to fill the SELPA Director vacancy on the Review Committee created by the resignation of Mark Miller. This motion was unanimously approved. The Review Committee is in the process of identifying a Superintendent to fill the vacancy in Area 3.

1.3 Summary Report: Frank Donavan shared that the Orange County Special Education Alliance Annual Summary Report was available. Copies were distributed to Review Committee members and will be distributed to the Superintendents at their next meeting.

1.4 District Support Applications: Lysa Saltzman reported that there were no applications for district support at this time.

1.5 AB490 Transportation of Foster Youth Applications: Lysa Saltzman shared that Saddleback Valley Unified School District and Garden Grove Unified School District had each submitted applications for AB490 support. An ad hoc committee consisting of Mike Christensen, Superintendent, Orange Unified School District, Frank Donavan, Superintendent, Magnolia School District, Doreen Lohnes, Assistant Superintendent, Support Services/SELPA, Santa Ana Unified School District, Dan Harbottle, Harbottle Law Group and Lysa Saltzman, Counsel, Orange County Department of Education was established to determine if the applications meets the criteria for Alliance support and make a recommendation to the Review Committee.. The ad hoc committee will present their recommendation at the November 18, 2016 meeting. There was some discussion, initiated by Doreen Lohnes, to expand the program to include McKinney-Vento homeless students. This issue will be discussed further at the next meeting.

1.6 Treasurer/Auditor Quarterly Report: Lysa Saltzman explained that there had been a public records request over the summer for financial documentation and audit reports of the Alliance. The Alliance JPA indicates that quarterly reports be provided to the parties. Kevin Smith, Director of Fiscal Services, Huntington Beach Union High School District, will work with Patty Banuelos at the Orange County Department of Education Business Department to provide quarterly treasurer reports at the Review Committee meetings. Also, in the future OCDE will be contracting with an outside firm to conduct the annual audit, rather than doing it in house. The estimated cost is $5,000, so additional funds may need to be allocated.

1.7 Review Committee Meeting Schedule: It was determined that there is a conflict for superintendents on the January 13, 2017 Review Committee meeting due to the ASCA Superintendent meeting. There was a motion by Mike Christensen, Superintendent, Orange Unified School District, seconded by Kevin Smith, Director of Fiscal Services, Huntington Beach Union High School District to move the January 13, 2017 meeting to February 24, 2017 at 9:00 a.m. at the Orange County Department of Education in Room D1009. This motion was unanimously approved.

G. Review Committee Members Comments: Mike Christensen and Doreen Lohnes thanked the committee for their nomination and look forward to serving on the Review Committee

H. Public Comments: There were no public comments.

A. Adjournment: The meeting was adjourned at 9:55 a.m.

November 18, 2016
1:30 p.m., Board Room
Orange County Department of Education
200 Kalmus Drive
Costa Mesa, California 92628
www.specialedallliance.org

ORANGE COUNTY SPECIAL EDUCATION ALLIANCE
REVIEW COMMITTEE SPECIAL MINUTES (DRAFT)
November 18, 2016

A. Call to Order: The meeting was called to order at 1:30 p.m. at the Orange County Department of Education in Costa Mesa, California, in the Board Room.

B. Roll Call: Present were the following: Frank Donavan, Chair, Superintendent, Magnolia School District; Gregg Haulk, Vice Chair, Superintendent, Huntington Beach City School District; Clint Harwick, Superintendent, Saddleback Valley Unified School District; Mike Christensen, Superintendent, Orange Unified School District; Lorraine Rae, Assistant Superintendent, Special Education/Student Services, Garden Grove Unified School District; Doreen Lohnes, Assistant Superintendent, Support Services/SELPA, Santa Ana Unified School District; Jean Martin, Director, North Orange County SELPA; Kevin Smith, Director of Fiscal Services, Huntington Beach Union High School District; Dan Harbottle, Attorney, Harbottle Law Group; Lysa Saltzman, Counsel, Orange County Department of Education and Michele Kaufman, Executive Assistant, Orange County Special Education Alliance.

C. Introductions: Brad Mason, Superintendent, Brea-Olinda Unified School District.

D. Approval of Minutes: The minutes from September 23, 2016 Review Committee meeting were reviewed. There was a motion to approve the minutes by Mike Christensen, Superintendent, Orange Unified School District, seconded by Clint Harwick, Superintendent, Saddleback Valley Unified School District. The minutes were unanimously approved with the exception of Dan Harbottle and Gregg Haulk who abstained.

E. Public Comments: There were no public comments.

F. Action & Discussion Items:

1.0 Professional Development Sub-Committee Report: Lorraine Rae presented the Professional Development proposal from the subcommittee which consists of Kristen Cinco, SELPA Director, Anaheim City School District, Denise MacAllister, SELPA Director, Orange Unified School District, Doreen Lohnes, SELPA Director, Santa Ana Unified School District, Scott Turner, SELPA Director, South Orange County and Anne Delfosse, SELPA Director, West Orange County Consortium. The proposal for the year includes two components. The first involves contracting with Alternative Dispute Resolution specialist Gail Nugent. Ms. Nugent will work individually for 12 hours with each of the thirteen SELPA's for a total of 156 hours at $125 per hour from December 1, 2016 – June 30, 2016. Each SELPA will uniquely tailor their training needs. Ms. Nugent will provide

services that include conflict resolution training, IEP meetings, dealing with difficult people, parent trainings and how to conduct successful resolution sessions. Total costs for Ms. Nugent's contract are estimated at $19,500. The second component will involve an all day legal panel presentation to Orange County teachers and administrators and is planned to take place on January 26, 2017 at Saddleback High School in Santa Ana and will feature speakers Dan Harbottle, Adam Newman and Jack Clarke. Each attorney will present on a specific topic followed by a Q & A panel. The cost of this professional development activity is estimated at $1100. There was a motion from Gregg Haulk, Superintendent, Huntington Beach City School District, seconded by Clint Harwick, Superintendent, Saddleback Valley Unified School District to approve the professional development proposal. The motion was unanimously approved.

Since the costs are estimated to exceed the current professional development budget of $20,000, there was a motion by Gregg Haulk, Superintendent, Huntington Beach City School District, seconded by Mike Christensen, Superintendent, Orange Unified School District to increase the professional development budget by $2,000. This motion was unanimously approved.

1.1 Advocacy Sub-Committee Report: Doreen Lohnes, Assistant Superintendent, Support Services/SELPA, Santa Ana Unified School District shared that the SELPA directors had committed to visiting local legislatures and meeting with their staff. She distributed a monthly visitation schedule and the contact information for local legislators. Talking points for the visitations will include funding for pre-school and reactions to the Governor's budget and special education reports.

1.2 Treasurer/Auditor Quarterly Report: Kevin Smith, Director of Fiscal Services, Huntington Beach Union High School District, reported that the costs for auditing services could exceed the current budgeted amount. A motion was made by Mike Christensen, Superintendent, Orange Unified School District, seconded by Dan Harbottle, Harbottle Law Group to increase the audit budget from $1,000 to $5,000. The motion was unanimously approved.

1.3 Establish Budget Ad Hoc Committee: Frank Donavan shared that the Review Committee needed to establish a budget ad hoc committee to create the proposed budget for the 2017-2018 school year. This committee will meet in February and present its proposal at the March 10, 2017 Executive Committee meeting. The budget ad hoc committee was created and will consist of Frank Donavan, Gregg Haulk, Lorraine Rae, Kevin Smith and Lysa Saltzman.

1.4 Filling of Review Committee Vacancies: There was a motion by Clint Harwick, Superintendent, Saddleback Valley Unified School District, seconded by Mike Christensen, Superintendent, Orange Unified School District to nominate Brad Mason, Superintendent, Brea-Olinda Unified School District to fill the vacancy on the Review

Committee for Area 3 created by the retirement of Susan Belenardo. This motion was unanimously approved.

1.5 Report from Ad Hoc Committee and action on AB490 District Support Applications: Lysa Saltzman shared that Saddleback Valley Unified School District and Garden Grove Unified School District had each submitted applications for AB490 Transportation support. An ad hoc committee consisting of Mike Christensen, Superintendent, Orange Unified School District, Frank Donavan, Superintendent, Magnolia School District, Doreen Lohnes, Assistant Superintendent, Support Services/SELPA, Santa Ana Unified School District, Dan Harbottle, Harbottle Law Group and Lysa Saltzman, Counsel, Orange County Department of Education had met telephonically on October 28, 2016 to review and discuss the applications consistent with the criteria established by the Orange County Special Education Alliance.

The GGUSD application requested reimbursement for transporting a student from a foster home within Fountain Valley School District to the school of origin located within GGUSD for ten days during the 2015-2016 school year. The total cost of transportation for the 10 days was $1714.00 (roundtrip transportation $171.40 for 10 days). The ad hoc committee reviewed the criteria established by the Alliance and determined that the general criteria had been met. The ad hoc committee recommended that the Review Committee approve GGUSD's application in the total amount of $1,714.00. There was a motion by Mike Christensen, Superintendent, Orange Unified School District, seconded by Brad Mason, Superintendent, Brea-Olinda Unified School District to approve the recommendation by the ad hoc committee. The motion was unanimously approved with the exception of Lorraine Rae, who abstained.

The Saddleback Valley Unified School District had submitted three applications requesting reimbursement for transporting three students from a group home within Orange Unified School District to the schools of origin located within SVUSD for 15 days in May/June 2016. SVUSD provided one way bus transportation for the three students. SVUSD transported all three students on the same bus at a cost of $1,123.18 per student resulting in a total amount of $3,369.54. The ad hoc committee reviewed the criteria established by the Alliance and determined that the criteria had been met for all three SVUSD applications. The ad hoc committee recommended that the Review Committee approve SVUSD's applications in the total amount of $3,369.54. There was a motion by Mike Christensen, Superintendent, Orange Unified School District, seconded by Brad Mason, Superintendent, Brea-Olinda Unified School District to approve the recommendation by the ad hoc committee. The motion was unanimously approved with the exception of Clint Harwick, who abstained.

1.6 District Support Applications: Lysa Saltzman shared that the Review Committee had received a district support application from Placentia-Yorba Linda Unified School District. An ad hoc committee was created to review the application and report its

recommendations back to the Review Committee at the February 24, 2017 meeting. The ad hoc committee will consist of Mike Christensen, Gregg Haulk, Jay Shinnefield, Doreen Lohnes and Lorraine Rae. Ms. Saltzman will facilitate and schedule the meeting.

1.7 AB 490 Transportation of Foster Youth Applications: Lysa Saltzman shared that there were two applications for AB 490 Transportation support from Orange Unified School District and Saddleback Valley Unified School District. An ad hoc committee was created to review both applications and will report back at the February 24, 2017 meeting. The ad hoc committee will consist of Frank Donavan, Brad Mason, Jean Martin, Dan Harbottle and Lysa Saltzman. Ms. Saltzman will facilitate and schedule the meeting.

1.8 Review Committee Meeting Schedule: It was determined that there was a time conflict for the February 24, 2017 Review Committee meeting and that the Review Committee preferred for meetings to start at 1:00 p.m. There was a motion by Clint Harwick, Superintendent, Saddleback Valley Unified School District, seconded by Dan Harbottle, Harbottle Law Group to change the starting time of the remaining three Review Committee meetings to 1:00 p.m. This motion was unanimously approved.

G. Review Committee Members Comments: Clint Harwick, Superintendent, Saddleback Valley Unified School District shared that he would be accepting a new position as Superintendent for Huntington Beach Union High School District starting January 1, 2017. This move will require that a superintendent from Area 1 be chosen to serve on the Review Committee.

H. Public Comments: There were no public comments.

I. Adjournment: The meeting was adjourned at 1:55 p.m.

DRAFT

WEST ORANGE COUNTY CONSORTIUM FOR SPECIAL EDUCATION
ALTERNATIVE DISPUTE RESOLUTION PROCESS SUMMARY

JULY 1, 2016 through DECEMBER 31, 2016

	FVSD	HBCSD	HBUHSD	OVSD	WSD	WOCCSE TOTAL
Total Alternative Dispute Resolution ("ADR") Sessions Held	2	6	5	3	-0-	**16**
Total ADR Session Invitations Declined by Parents	-0-	1	-0-	-0-	1	**2**
Total ADR Unresolved or Filed for Due Process	-0-	1	2	3	-0-	**6**
Total Resolved Without Agreement	1	1	-0-	-0-	-0-	**2**
Total Pending	-0-	1	1	-0-	-0-	**2**
Total ADR Settlement Agreements	**1**	**4**	**2**	**-0-**	**-0-**	**7**

2016-17 SEMA

2015-16 ACTUALS vs 2014-15 ACTUALS

A. COMBINED STATE AND LOCAL EXPENDITURES METHOD	FVSD			MET MOE [1]		HBCSD			MET MOE [1]		HBUHSD			MET MOE [1]	
	Actuals FY 2015-16	Actuals FY 2014-15	Difference	% CHG	YES/ NO	Actuals FY 2015-16	Actuals FY 2014-15	Difference	% CHG	YES/ NO	Actuals FY 2015-16	Actuals FY 2014-15	Difference	% CHG	YES/ NO
1. Total special education expenditures	11,776,420.74					12,388,196.97					38,288,909.21				
2. Less: Expenditures paid from federal sources	1,084,227.00					1,232,124.00					3,543,135.94				
3. Expenditures paid from state and local sources	10,692,193.74	10,125,568.65	566,625.09	5.30%	YES	11,156,072.97	8,580,942.03	2,575,130.94	23.08%	YES	34,745,773.27	31,715,923.99	3,029,849.28	8.72%	YES
4. Special education and unduplicated pupil count	573.00	576.00				789.00	800.00				1,601.00	1,638.00			
5. Per capita state and local expenditures (A3/A4)	18,660.02	17,579.11	1,080.91	5.79%	YES	14,139.51	10,726.18	3,413.33	24.14%	YES	21,702.54	19,362.59	2,339.95	10.78%	YES
B. LOCAL EXPENDITURES ONLY METHOD															
1. a. Expenditures from local sources	6,176,614.16	6,163,642.98	12,971.18	0.21%	YES	6,303,428.33	4,991,351.04	1,312,077.29	20.82%	YES	13,867,318.92	13,045,874.52	821,444.40	5.92%	YES
b. Per capita local expenditures (A6/A4)	10,779.43	10,700.77	78.66	0.73%	YES	7,989.14	6,239.19	1,749.95	21.90%	YES	8,661.66	7,964.51	697.15	8.05%	YES
	FVSD HAS MET MOE					HBCSD HAS MET MOE					HBUHSD HAS MET MOE				

A. COMBINED STATE AND LOCAL EXPENDITURES TEST	OVSD			MET MOE [1]		WSD			MET MOE [1]		SELPA			MET MOE [1]	
	Actuals FY 2015-16	Actuals FY 2014-15	Difference	% CHG	YES/ NO	Actuals FY 2015-16	Actuals FY 2014-15	Difference	% CHG	YES/ NO	Actuals FY 2015-16	Actuals FY 2014-15	Difference	% CHG	YES/ NO
1. Total special education expenditures	18,753,418.49					19,824,557.70					101,031,503.11				
2. Less: Expenditures paid from federal sources	1,690,890.63					1,799,201.61					9,349,579.18				
3. Expenditures paid from state and local sources	17,062,527.86	15,541,179.67	1,521,348.19	8.92%	YES	18,025,356.09	16,311,305.54	1,714,050.55	9.51%	YES	91,681,923.93	82,274,919.88	9,407,004.05	10.26%	YES
4. Special education and unduplicated pupil count	1,079.00	1,086.00				1,019.00	1,029.00				5,061.00	5,129.00			
5. Per capita state and local expenditures (A3/A4)	15,813.28	14,310.48	1,502.80	9.50%	YES	17,689.26	15,851.61	1,837.65	10.39%	YES	18,115.38	16,041.12	2,074.25	11.45%	YES
B. LOCAL EXPENDITURES ONLY METHOD															
1. a. Expenditures from local sources	8,343,375.46	6,799,633.65	1,543,741.81	18.50%	YES	10,939,148.95	9,607,906.54	1,331,242.41	12.17%	YES	45,629,885.82	40,608,408.73	5,021,477.09	11.00%	YES
b. Per capita local expenditures (A6/A4)	7,732.51	6,261.17	1,471.33	19.03%	YES	10,735.18	9,337.13	1,398.05	13.02%	YES	9,015.98	7,917.41	1,098.57	12.18%	YES
	OVSD HAS MET MOE					WSD HAS MET MOE					SELPA HAS MET MOE				

1. MOE is met if any one of the values in the "Difference" columnn is positive

2016-17 SEMB

2016-17 BUDGET vs 2015-16 ACTUALS

TEST 1

A. COMBINED STATE AND LOCAL EXPENDITURES METHOD	FVSD Budget FY 2016-17	FVSD Actual FY 2015-16	FVSD Difference	FVSD MOE MET [1] % CHG	FVSD MOE MET [1] YES/NO	HBCSD Budget FY 2016-17	HBCSD Actual FY 2015-16	HBCSD Difference	HBCSD MOE MET [1] % CHG	HBCSD MOE MET [1] YES/NO	HBUHSD Budget FY 2016-17	HBUHSD Actual FY 2015-16	HBUHSD Difference	HBUHSD MOE NOT MET [2] % CHG	HBUHSD MOE NOT MET [2] YES/NO
1. Total special education expenditures	11,100,702.00					12,551,196.00					29,082,472.00				
2. Less: Expenditures paid from federal sources	1,141,957.00					1,228,821.00					3,522,610.00				
3. Expenditures paid from state and local sources	9,958,745.00	9,695,948.35	262,796.65	2.64%	YES	11,322,375.00	10,005,939.40	1,316,435.60	11.63%	YES	25,559,862.00	27,478,920.11	-1,919,058.11	-7.51%	NO
4. Special education and unduplicated pupil count	573.00	573.00				789.00	789.00				1,601.00	1,601.00			
5. Per capita state and local expenditures (A3/A4)	17,380.01	16,921.38	458.63	2.64%	YES	14,350.29	12,681.80	1,668.49	11.63%	YES	15,964.94	17,163.60	-1,198.66	-7.51%	NO
B. LOCAL EXPENDITURES ONLY METHOD															
1. a. Expenditures from local sources	6,937,252.00	6,176,614.16	760,637.84	10.96%	YES	7,818,910.00	6,303,428.33	1,515,481.67	19.38%	YES	13,803,076.00	13,867,318.92	-64,242.92	-0.47%	NO
b. Per capita local expenditures (A6/A4)	12,106.90	10,779.43	1,327.47	10.96%	YES	9,909.90	7,989.14	1,920.76	19.38%	YES	8,621.53	8,661.66	-40.13	-0.47%	NO
	FVSD HAS MET MOE					HBCSD HAS MET MOE					HBUHSD HAS NOT MET MOE				

A. COMBINED STATE AND LOCAL EXPENDITURES TEST	OVSD Budget FY 2016-17	OVSD Actual FY 2015-16	OVSD Difference	OVSD MOE MET [1] % CHG	OVSD MOE MET [1] YES/NO	WSD Budget FY 2016-17	WSD Actual FY 2015-16	WSD Difference	WSD MOE MET [1] % CHG	WSD MOE MET [1] YES/NO	SELPA Budget FY 2016-17	SELPA Actual FY 2015-16	SELPA Difference	SELPA MOE MET [1] % CHG	SELPA MOE MET [1] YES/NO
1. Total special education expenditures	17,355,527.00					18,803,977.00					88,893,874.00				
2. Less: Expenditures paid from federal sources	1,680,300.00					1,828,419.00					9,402,107.00				
3. Expenditures paid from state and local sources	15,675,227.00	14,058,995.46	1,616,231.54	10.31%	YES	16,975,558.00	16,037,909.62	937,648.38	5.52%	YES	79,491,767.00	77,277,712.94	2,214,054.06	2.79%	YES
4. Special education and unduplicated pupil count	1,079.00	1,079.00				1,019.00	1,019.00				5,061.00	5,061.00			
5. Per capita state and local expenditures (A3/A4)	14,527.55	13,029.65	1,497.90	10.31%	YES	16,659.04	15,738.87	920.17	5.52%	YES	15,706.73	15,269.26	437.47	2.79%	YES
B. LOCAL EXPENDITURES ONLY METHOD															
1. a. Expenditures from local sources	10,171,028.00	8,343,375.46	1,827,652.54	17.97%	YES	12,185,768.00	10,939,148.95	1,246,619.05	10.23%	YES	50,916,034.00	45,629,885.82	5,286,148.18	10.38%	YES
b. Per capita local expenditures (A6/A4)	9,426.35	7,732.51	1,693.84	17.97%	YES	11,958.56	10,735.18	1,223.37	10.23%	YES	10,060.47	9,015.98	1,044.49	10.38%	YES
	OVSD HAS MET MOE					WSD HAS MET MOE					SELPA HAS MET MOE				

1. MOE is met if any one of the values in the "Difference" columnn is positive

2. MOE is not met, Test 2 must be performed by comparing Budget Year with Most Recent FY in which MOE compliance requirement was met. Test 2 must show any one of the values in the "Difference" columnn as positive

2016-17 SEMB

2016-17 BUDGET vs 2015-16 ACTUALS

TEST 2

A. COMBINED STATE AND LOCAL EXPENDITURES METHOD	FVSD Budget FY 2016-17	FVSD Actual FY 2015-16	FVSD Difference	FVSD MOE MET [1] % CHG	FVSD MOE MET [1] YES/NO	HBCSD Budget FY 2016-17	HBCSD Actual FY 2015-16	HBCSD Difference	HBCSD MOE MET [1] % CHG	HBCSD MOE MET [1] YES/NO	HBUHSD Budget FY 2016-17	HBUHSD Actual FY 2014-15	HBUHSD Difference	HBUHSD MOE MET [1] % CHG	HBUHSD MOE MET [1] YES/NO
1. Total special education expenditures	11,100,702.00					12,551,196.00					29,082,472.00				
2. Less: Expenditures paid from federal sources	1,141,957.00					1,228,821.00					3,522,610.00				
3. Expenditures paid from state and local sources	9,958,745.00	9,695,948.35	262,796.65	2.64%	YES	11,322,375.00	10,005,939.40	1,316,435.60	11.63%	YES	25,559,862.00	25,488,499.97	71,362.03	0.28%	YES
4. Special education and unduplicated pupil count	573.00	573.00				789.00	789.00				1,601.00	1,638.00			
5. Per capita state and local expenditures (A3/A4)	17,380.01	16,921.38	458.63	2.64%	YES	14,350.29	12,681.80	1,668.49	11.63%	YES	15,964.94	15,560.74	404.19	2.53%	YES
B. LOCAL EXPENDITURES ONLY METHOD															
1. a. Expenditures from local sources	6,937,252.00	6,176,614.16	760,637.84	10.96%	YES	7,818,910.00	6,303,428.33	1,515,481.67	19.38%	YES	13,803,076.00	13,045,874.52	757,201.48	5.49%	YES
b. Per capita local expenditures (A6/A4)	12,106.90	10,779.43	1,327.47	10.96%	YES	9,909.90	7,989.14	1,920.76	19.38%	YES	8,621.53	7,964.51	657.02	7.62%	YES
	FVSD HAS MET MOE					HBCSD HAS MET MOE					HBUHSD HAS MET MOE				

A. COMBINED STATE AND LOCAL EXPENDITURES TEST	OVSD Budget FY 2016-17	OVSD Actual FY 2015-16	OVSD Difference	OVSD MOE MET [1] % CHG	OVSD MOE MET [1] YES/NO	WSD Budget FY 2016-17	WSD Actual FY 2015-16	WSD Difference	WSD MOE MET [1] % CHG	WSD MOE MET [1] YES/NO	SELPA Budget FY 2016-17	SELPA Actual FY 2015-16	SELPA Difference	SELPA MOE MET [1] % CHG	SELPA MOE MET [1] YES/NO
1. Total special education expenditures	17,355,527.00					18,803,977.00					88,893,874.00				
2. Less: Expenditures paid from federal sources	1,680,300.00					1,828,419.00					9,402,107.00				
3. Expenditures paid from state and local sources	15,675,227.00	14,058,995.46	1,616,231.54	10.31%	YES	16,975,558.00	16,037,909.62	937,648.38	5.52%	YES	79,491,767.00	75,287,292.80	4,204,474.20	5.29%	YES
4. Special education and unduplicated pupil count	1,079.00	1,079.00				1,019.00	1,019.00				5,061.00	5,098.00			
5. Per capita state and local expenditures (A3/A4)	14,527.55	13,029.65	1,497.90	10.31%	YES	16,659.04	15,738.87	920.17	5.52%	YES	15,706.73	14,768.01	938.73	5.98%	YES
B. LOCAL EXPENDITURES ONLY METHOD															
1. a. Expenditures from local sources	10,171,028.00	8,343,375.46	1,827,652.54	17.97%	YES	12,185,768.00	10,939,148.95	1,246,619.05	10.23%	YES	50,916,034.00	44,808,441.42	6,107,592.58	12.00%	YES
b. Per capita local expenditures (A6/A4)	9,426.35	7,732.51	1,693.84	17.97%	YES	11,958.56	10,735.18	1,223.37	10.23%	YES	10,060.47	8,789.42	1,271.05	12.63%	YES
	OVSD HAS MET MOE					WSD HAS MET MOE					SELPA HAS MET MOE				

1. MOE is met if any one of the values in the "Difference" columnn is positive

ENROLLMENT COUNTS, MOE and EXCESS COST COMPARISONS
2014-15 to 2015-16

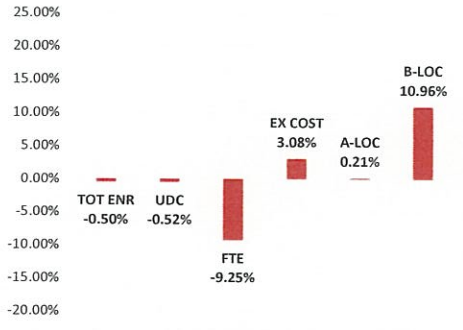
12/14/2016

	FVSD			
	2015-16	2014-15	Diff	% Diff
Total Enrollment (TOT ENR)	6,305	6,337	(32)	-0.50%
Casemis UDC (UDC)	573	576	(3)	-0.52%
Spec Ed FTE (FTE)	124.57	137.27	(13)	-9.25%
Excess Cost (EX COST)	9,203,130	8,919,321	283,809	3.08%
SEM-A MOE Local (A-LOC)	6,176,614	6,163,643	12,971	0.21%
SEM-B MOE Local (B-LOC)	6,937,252	6,176,614	760,638	10.96%
	16-17 budget	15-16 actuals		

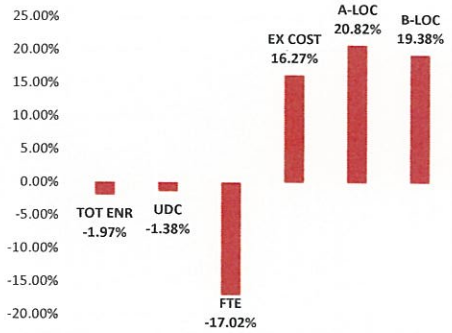
	HBCSD			
	2015-16	2014-15	Diff	% Diff
Total Enrollment (TOT ENR)	6,864	7,002	(138)	-1.97%
Casemis UDC (UDC)	789	800	(11)	-1.38%
Spec Ed FTE (FTE)	127.89	154.12	(26)	-17.02%
Excess Cost (EX COST)	7,339,231	6,145,219	1,194,012	16.27%
SEM-A MOE Local (A-LOC)	6,303,428	4,991,351	1,312,077	20.82%
SEM-B MOE Local (B-LOC)	7,818,910	6,303,428	1,515,482	19.38%
	16-17 budget	15-16 actuals		

	HBUHSD			
	2015-16	2014-15	Diff	% Diff
Total Enrollment (TOT ENR)	16,343	16,431	(88)	-0.54%
Casemis UDC (UDC)	1,601	1,638	(37)	-2.26%
Spec Ed FTE (FTE)	630.48	698.07	(68)	-9.68%
Excess Cost (EX COST)	23,442,253	21,058,628	2,383,625	10.17%
SEM-A MOE Local (A-LOC)	13,867,319	13,045,875	821,444	5.92%
SEM-B MOE Local (B-LOC)	13,803,076	13,045,875	757,201	5.49%
	16-17 budget	14-15 actuals		

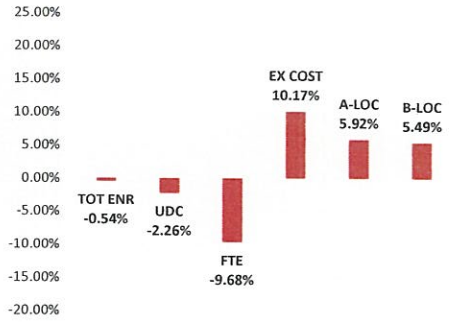
FVSD



HBCSD



HBUHSD

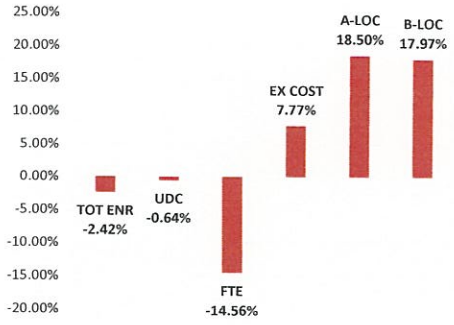


	OVSD			
	2015-16	2014-15	Diff	% Diff
Total Enrollment (TOT ENR)	9,000	9,223	(223)	-2.42%
Casemis UDC (UDC)	1,079	1,086	(7)	-0.64%
Spec Ed FTE (FTE)	273.70	320.35	(47)	-14.56%
Excess Cost (EX COST)	11,173,976	10,305,265	868,711	7.77%
SEM-A MOE Local (A-LOC)	8,343,375	6,799,634	1,543,742	18.50%
SEM-B MOE Local (B-LOC)	10,171,028	8,343,375	1,827,653	17.97%
	16-17 budget	15-16 actuals		

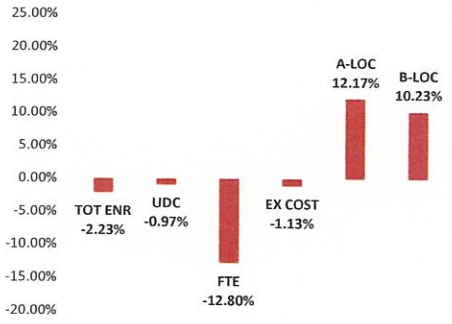
	WSD			
	2015-16	2014-15	Diff	% Diff
Total Enrollment (TOT ENR)	9,503	9,720	(217)	-2.23%
Casemis UDC (UDC)	1,019	1,029	(10)	-0.97%
Spec Ed FTE (FTE)	285.71	327.66	(42)	-12.80%
Excess Cost (EX COST)	11,994,638	12,131,678	(137,040)	-1.13%
SEM-A MOE Local (A-LOC)	10,939,149	9,607,907	1,331,242	12.17%
SEM-B MOE Local (B-LOC)	12,185,768	10,939,149	1,246,619	10.23%
	16-17 budget	15-16 actuals		

	SELPA			
	2015-16	2014-15	Diff	% Diff
Total Enrollment (TOT ENR)	48,015	48,713	(698)	-1.43%
Casemis UDC (UDC)	5,061	5,129	(68)	-1.33%
Spec Ed FTE (FTE)	1,442.35	1,637.47	(195)	-11.92%
Excess Cost (EX COST)	63,153,228	58,560,111	4,593,117	7.27%
SEM-A MOE Local (A-LOC)	45,629,886	40,608,409	5,021,477	11.00%
SEM-B MOE Local (B-LOC)	50,916,034	44,808,441	6,107,593	12.00%
	16-17 budget	15-16 actuals		

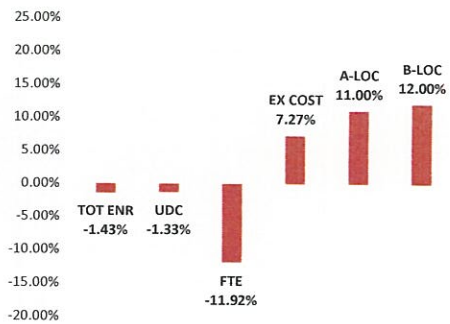
OVSD



WSD



SELPA



V-C (4)

SELPA: BK 3020 West Orange County

Maintenance of Effort Subsequent Year Data Collection

Special Education Maintenance of Effort All Tests

2011-2012

	State and Local Total Expenditure MOE Requirement	State and Local Total Expenditure MOE Requirement Pass/Fail	State and Local Per Capita Expenditure MOE Requirement	State and Local Per Capita MOE Requirement Pass/Fail	State and Local Exception Amount	Local Only Total Expenditure MOE Requirement	Local Only Total Expenditure MOE Requirement Pass/Fail	Local Only Per Capita Expenditure MOE Requirement	Local Only Per Capita MOE Requirement Pass/Fail	State and Local Exception Amount	Enrollment
FVSD	9,585,262.06	Pass	14,370.71	Pass	-	5,674,597.30	Pass	8,507.64	Pass	-	667.00
HBCSD	7,940,555.74	Pass	9,963.06	Pass	-	3,585,200.95	Pass	4,498.37	Pass	-	797.00
HBUHSD	28,746,537.68	Pass	16,703.39	Pass	-	10,012,038.94	Pass	5,817.57	Pass	-	1,721.00
OVSD	13,955,301.84	Pass	12,328.01	Pass	-	5,986,813.80	Pass	5,288.70	Pass	-	1,132.00
WSD	14,518,517.83	Pass	13,115.19	Pass	-	8,659,360.81	Pass	7,822.37	Pass	-	1,107.00

SELPA: BK 3020 West Orange County

Maintenance of Effort Subsequent Year Data Collection

Special Education Maintenance of Effort All Tests

2012-2013

	State and Local Total Expenditure MOE Requirement	State and Local Total Expenditure MOE Requirement Pass/Fail	State and Local Per Capita Expenditure MOE Requirement	State and Local Per Capita MOE Requirement Pass/Fail	State and Local Exception Amount	Local Only Total Expenditure MOE Requirement	Local Only Total Expenditure MOE Requirement Pass/Fail	Local Only Per Capita Expenditure MOE Requirement	Local Only Per Capita MOE Requirement Pass/Fail	State and Local Exception Amount	Enrollment
FVSD	10,006,564.59	Pass	15,808.16	Pass	-	6,121,289.61	Pass	9,670.28	Pass	-	633.00
HBCSD	8,723,365.67	Pass	10,003.86	Pass	-	4,180,350.17	Pass	4,793.98	Pass	-	872.00
HBUHSD	28,603,281.74	Fail	16,344.73	Fail	-	10,361,731.59	Pass	5,920.99	Pass	-	1,750.00
OVSD	14,607,721.41	Pass	12,984.64	Pass	-	6,492,008.30	Pass	5,770.67	Pass	-	1,125.00
WSD	14,938,730.77	Pass	14,433.56	Pass	-	8,913,626.06	Pass	8,612.20	Pass	-	1,035.00

SELPA: BK 3020 West Orange County

Maintenance of Effort Subsequent Year Data Collection

Special Education Maintenance of Effort All Tests

2013-2014

	State and Local Total Expenditure MOE Requirement	State and Local Total Expenditure MOE Requirement Pass/Fail	State and Local Per Capita Expenditure MOE Requirement	State and Local Per Capita MOE Requirement Pass/Fail	State and Local Exception Amount	Local Only Total Expenditure MOE Requirement	Local Only Total Expenditure MOE Requirement Pass/Fail	Local Only Per Capita Expenditure MOE Requirement	Local Only Per Capita MOE Requirement Pass/Fail	State and Local Exception Amount	Enrollment
FVSD	9,924,543.47	Pass With Exemption(s)	16,350.15	Pass With Exemption(s)	451,734.03	5,777,596.73	Pass With Exemption(s)	9,518.28	Pass With Exemption(s)	451,734.03	607.00
HBCSD	9,219,963.90	Pass	10,671.25	Pass	-	4,812,628.70	Pass	5,570.17	Pass	-	864.00
HBUHSD	29,357,474.70	Pass	17,589.86	Pass	-	11,598,894.22	Pass	6,949.61	Pass	-	1,669.00
OVSD	14,574,332.47	Fail	13,024.43	Pass	-	6,656,008.80	Pass	5,948.18	Pass	-	1,119.00
WSD	14,938,178.85	Pass With Exemption(s)	14,446.98	Pass With Exemption(s)	14,433.53	8,715,766.84	Fail	8,429.17	Fail	-	1,034.00

V-C (7)

SELPA: BK 3020 West Orange County

Maintenance of Effort Subsequent Year Data Collection

Special Education Maintenance of Effort All Tests

2014-2015

	State and Local Total Expenditure MOE Requirement	State and Local Total Expenditure MOE Requirement Pass/Fail	State and Local Per Capita Expenditure MOE Requirement	State and Local Per Capita MOE Requirement Pass/Fail	State and Local Exception Amount	Local Only Total Expenditure MOE Requirement	Local Only Total Expenditure MOE Requirement Pass/Fail	Local Only Per Capita Expenditure MOE Requirement	Local Only Per Capita MOE Requirement Pass/Fail	State and Local Exception Amount	Enrollment
FVSD	10,125,568.65	Pass With Exemption(s)	17,579.11	Pass With Exemption(s)	447,550.88	6,163,642.98	Pass With Exemption(s)	10,700.77	Pass With Exemption(s)	447,550.88	576.00
HBCSD	8,580,942.03	Fail	10,726.18	Pass	-	4,991,351.04	Pass	6,239.19	Pass	-	800.00
HBUHSD	31,715,923.99	Pass	19,362.59	Pass	-	13,045,874.52	Pass	7,964.51	Pass	-	1,638.00
OVSD	15,541,179.67	Pass	14,310.48	Pass	-	6,799,633.65	Pass	6,261.17	Pass	-	1,086.00
WSD	16,311,305.54	Pass	15,851.61	Pass	-	9,607,906.54	Pass	9,337.13	Pass	-	1,029.00

V-C (8)

SELPA: BK 3020 West Orange County

Maintenance of Effort Subsequent Year Data Collection

Special Education Maintenance of Effort All Tests

2015-2016

	State and Local Total Expenditure MOE Requirement	State and Local Total Expenditure MOE Requirement Pass/Fail	State and Local Per Capita Expenditure MOE Requirement	State and Local Per Capita MOE Requirement Pass/Fail	State and Local Exception Amount	Local Only Total Expenditure MOE Requirement	Local Only Total Expenditure MOE Requirement Pass/Fail	Local Only Per Capita Expenditure MOE Requirement	Local Only Per Capita MOE Requirement Pass/Fail	State and Local Exception Amount	Enrollment
FVSD	10,692,193.74	Pass	18,660.02	Pass	-	6,176,614.16	Pass	10,779.43	Pass	-	573.00
HBCSD	11,156,072.97	Pass	14,139.51	Pass	-	6,303,428.33	Pass	7,989.14	Pass	-	789.00
HBUHSD	34,745,773.27	Pass	21,702.54	Pass	-	13,867,318.92	Pass	8,661.66	Pass	-	1,601.00
OVSD	17,062,527.86	Pass	15,813.28	Pass	-	8,343,375.46	Pass	7,732.51	Pass	-	1,079.00
WSD	18,025,356.09	Pass	17,689.26	Pass	-	10,939,148.95	Pass	10,735.18	Pass	-	1,019.00

SELPA: BK 3020 West Orange County

Maintenance of Effort Subsequent Year Data Collection

Special Education Maintenance of Effort All Tests

2016-2017

	State and Local Total Expenditure MOE Requirement	State and Local Total Expenditure MOE Requirement Pass/Fail	State and Local Per Capita Expenditure MOE Requirement	State and Local Per Capita MOE Requirement Pass/Fail	State and Local Exception Amount	Local Only Total Expenditure MOE Requirement	Local Only Total Expenditure MOE Requirement Pass/Fail	Local Only Per Capita Expenditure MOE Requirement	Local Only Per Capita MOE Requirement Pass/Fail	State and Local Exception Amount	Enrollment
FVSD	9,958,745.00	Pass	17,380.01	Pass	-	6,937,252.00	Pass	12,106.90	Pass	-	573.00
HBCSD	11,322,375.00	Pass	14,350.29	Pass	-	7,818,910.00	Pass	9,909.90	Pass	-	789.00
HBUHSD	25,559,862.00	Pass	15,964.94	Pass	-	13,803,076.00	Pass	8,621.53	Pass	-	1,601.00
OVSD	15,675,227.00	Pass	14,527.55	Pass	-	10,171,028.00	Pass	9,426.35	Pass	-	1,079.00
WSD	16,975,558.00	Pass	16,659.04	Pass	-	12,185,768.00	Pass	11,958.56	Pass	-	1,019.00

WEST ORANGE COUNTY SELPA

SELPA EXCESS COST CALCULATION SUMMARY - 2015/2016

12/14/2016

West Orange County SELPA TOT	West Orange County SELPA %ELEM	West Orange County SELPA %SEC		
	66.98%	33.02%	Enter certificated staff FTE %s	
			Section a. First the LEA must determine the total amount of its expenditures for students from all OPERATING funds—local, State, and Federal (including Part B)—in 2014-2015. (Use FUNDS 01-09, 13, and 61-62 ONLY)	
$ 405,640,896	$ 271,698,272	$ 133,942,624	Item 1	State and Local Expenditures - FD 01-09, 13, 61, 62; RS 0000-2999 and 6000-9999 Objects 1000-7999
$ 34,928,588	$ 23,395,168	$ 11,533,420	Item 2	Federal Expenditures - FD 01-09, 13, 61, 62; RS 3000-5999 (excluding 3315, 3320, 3312, 3318, 3332, 3355 & state portion of 3385)
$ 440,569,484	$ 295,093,440	$ 145,476,044	Item 3	Total Expenditures
			Section b. Next, the LEA must subtract from the total expenditures calculated in section a. above all amounts spent in 2014-2015 for the following resources (these are considered supplemental expenditures). These are actual expenditures only. (Use FUNDS 01-09, 13, and 61-62 ONLY)	
$ 440,569,484	$ 295,093,440	$ 145,476,044	Item 4	Total Expenditures
$ 9,862,107	$ 6,605,639	$ 3,256,468	Item 5	IDEA, Part B allocation - RS 3310, 3311, 3327, 3386
$ 6,304,910	$ 4,223,029	$ 2,081,881	Item 6	Title 1, Part A Allocation - RS 3010,3011, 3012, 3013, 3175-3178, 3185
$ 995,618	$ 666,865	$ 328,753	Item 7	Title III, Part A & B Allocation - RS 4201-4204
$ 68,495,054	$ 45,877,987	$ 22,617,067	Item 8	State & Local Funds Spent for Children With Disabilities - Goal 5xxx
$ -	$ -	$ -	Item 9	State & Local Funds Spent for Title I, Part A & Title III, Parts A & B (GF contributions) Resources listed above in items 6-7
$ 354,911,795	$ 237,719,920	$ 117,191,875	Item 10	Total Expenditures less supplemental expenditures
			Section c. Next, deduct capital outlay and debt service for resources not listed in section b. above. (FUNDS 01-09, 13, 61-62 ONLY)	
$ 354,911,795	$ 237,719,920	$ 117,191,875	Item 11	Total Expenditures less supplemental expenditures
$ 3,255,901	$ 2,180,802	$ 1,075,099	Item 12	Capital Outlay and Debt - OBJ 6xxx, &/or OBJ 7438, &/or OBJ 7439, &/or FUNCTION 8500
$ 351,655,894	$ 235,539,118	$ 116,116,776	Item 13	Total Expenditures less Capital Outlay & Debt
			Section d. Next, the LEA must determine the average annual per student expenditure dividing the average number of students enrolled in the school of the agency during 2014-2015 (including its children with disabilities) into the amount computed under the above paragraph. The amount obtained through this computation is the minimum amount the LEA must spend (on the average) for the education of each of its children with disabilities 'before' Part B funds may be used.	
$ 351,655,894	$ 235,539,118	$ 116,116,776	Item 14	Total amount for average calculation
48,015	27,330	20,686	Item 15	Number of students enrolled in 2014-2015 school year - CBEDS, ALL students (General Ed and Special Ed)
$ 7,324	$ 8,618	$ 5,613	Item 16	Average annual expenditure per student
			Section e. Next, to determine the total minimum amount of funds the LEA must spend for the education of its children with disabilities in the LEA (not including capital outlay and debt service), the LEA must multiply the number of children with disabilities in the LEA during 2015-2016 times the average annual per student expenditure obtained in section d. above. Funds under Part B of the Act can only be used for excess costs over and above this minimum.	
$ 7,324	$ 8,618	$ 5,613	Item 17	Average annual expenditure per student
1,442.35	729.61	712.74	Item 18	Number of full-time special ed student equivalents (FTE of time spent in special ed classes)
$ 10,563,592	$ 6,288,130	$ 4,000,928	Item 19	TOTAL MINIMUM AMOUNT THAT MUST BE SPENT BEFORE USING PART B FUNDS (Excess Cost)
			Section f. Finally, determine how much was spent in 2015-2016 on district children with disabilities and verify this amount is equal to or exceeds the amount calculated in section e. above (FUNDS 01-09, 13, 61-62 ONLY)	
$ 10,563,592	$ 6,288,130	$ 4,000,928	Item 20*	TOTAL MINIMUM AMOUNT THAT MUST BE SPENT BEFORE USING PART B FUNDS (Excess Cost)
$ 73,965,163	$ 49,541,866	$ 24,423,297	Item 21*	2015-2016 expenditures - State & Local Funds Spent for Children With Disabilities - RS 0000-2999; 6000-9999
$ 63,401,571	$ 43,253,736	$ 20,422,369	Item 22**	Amount spent on children with disabilities in excess of requirement*

	Fountain Valley School District TOT	Fountain Valley School District %ELEM	Fountain Valley School District %SEC	Huntington Beach City School District TOT	Huntington Beach City School District %ELEM	Huntington Beach City School District %SEC	Huntington Beach Union High School District TOT	Huntington Beach Union High School District %ELEM	Huntington Beach Union High School District %SEC	Ocean View School District TOT	Ocean View School District %ELEM	Ocean View School District %SEC	Westminster School District TOT	Westminster School District %ELEM	Westminster School District %SEC	
		70.00%	30.00%		64.90%	35.10%		0.00%	100.00%		100.00%	0.00%		100.00%	0.00%	
1	$ 47,102,161	$ 32,971,513	$ 14,130,648	$ 51,000,026	$ 33,099,017	$ 17,901,009	$ 153,180,525	$ -	$ 153,180,525	$ 74,227,848	$ 74,227,848	$ -	$ 80,130,336	$ 80,130,336	$ -	Item 1
2	$ 3,042,877	$ 2,130,014	$ 912,863	$ 3,996,148	$ 2,593,500	$ 1,402,648	$ 10,299,950	$ -	$ 10,299,950	$ 5,941,025	$ 5,941,025	$ -	$ 11,648,588	$ 11,648,588	$ -	Item 2
3	$ 50,145,038	$ 35,101,527	$ 15,043,511	$ 54,996,174	$ 35,692,517	$ 19,303,657	$ 163,480,475	$ -	$ 163,480,475	$ 80,168,873	$ 80,168,873	$ -	$ 91,778,924	$ 91,778,924	$ -	Item 3
4	$ 50,145,038	$ 35,101,527	$ 15,043,511	$ 54,996,174	$ 35,692,517	$ 19,303,657	$ 163,480,475	$ -	$ 163,480,475	$ 80,168,873	$ 80,168,873	$ -	$ 91,778,924	$ 91,778,924	$ -	Item 4
5	$ 975,771	$ 683,040	$ 292,731	$ 1,706,042	$ 1,107,221	$ 598,821	$ 2,823,810	$ -	$ 2,823,810	$ 1,608,829	$ 1,608,829	$ -	$ 2,747,655	$ 2,747,655	$ -	Item 5
6	$ 370,847	$ 259,593	$ 111,254	$ 388,591	$ 252,196	$ 136,395	$ 1,625,931	$ -	$ 1,625,931	$ 1,092,694	$ 1,092,694	$ -	$ 2,826,847	$ 2,826,847	$ -	Item 6
7	$ 125,928	$ 88,150	$ 37,778	$ 43,375	$ 28,150	$ 15,225	$ 230,835	$ -	$ 230,835	$ 195,337	$ 195,337	$ -	$ 400,143	$ 400,143	$ -	Item 7
8	$ 10,657,963	$ 7,460,574	$ 3,197,389	$ 7,064,978	$ 4,585,171	$ 2,479,807	$ 26,365,201	$ -	$ 26,365,201	$ 11,576,933	$ 11,576,933	$ -	$ 12,829,979	$ 12,829,979	$ -	Item 8
9	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	Item 9
10	$ 38,014,529	$ 26,610,170	$ 11,404,359	$ 45,793,188	$ 29,719,779	$ 16,073,409	$ 132,434,698	$ -	$ 132,434,698	$ 65,695,080	$ 65,695,080	$ -	$ 72,974,300	$ 72,974,300	$ -	Item 10
11	$ 38,014,529	$ 26,610,170	$ 11,404,359	$ 45,793,188	$ 29,719,779	$ 16,073,409	$ 132,434,698	$ -	$ 132,434,698	$ 65,695,080	$ 65,695,080	$ -	$ 72,974,300	$ 72,974,300	$ -	Item 11
12	$ 305,932	$ 214,152	$ 91,780	$ 949,500	$ 616,226	$ 333,275	$ 1,088,899	$ -	$ 1,088,899	$ 325,981	$ 325,981	$ -	$ 585,589	$ 585,589	$ -	Item 12
13	$ 37,708,597	$ 26,396,018	$ 11,312,579	$ 44,843,688	$ 29,103,554	$ 15,740,134	$ 131,345,799	$ -	$ 131,345,799	$ 65,369,099	$ 65,369,099	$ -	$ 72,388,711	$ 72,388,711	$ -	Item 13
14	$ 37,708,597	$ 26,396,018	$ 11,312,579	$ 44,843,688	$ 29,103,554	$ 15,740,134	$ 131,345,799	$ -	$ 131,345,799	$ 65,369,099	$ 65,369,099	$ -	$ 72,388,711	$ 72,388,711	$ -	Item 14
15	6,305	4,414	1,892	6,864	4,413	2,451	16,343	-	16,343	9,000	9,000		9,503	9,503	-	Item 15
16	$ 5,981	$ 5,981	$ 5,981	$ 6,533	$ 6,595	$ 6,422	$ 8,037		$ 8,037	$ 7,263	$ 7,263		$ 7,617	$ 7,617		Item 16
17	$ 5,981	$ 5,981	$ 5,981	$ 6,533	$ 6,595	$ 6,422	$ 8,037		$ 8,037	$ 7,263	$ 7,263		$ 7,617	$ 7,617		Item 17
18	124.57	87.20	37.37	127.89	83.00	44.89	630.48	0.00	630.48	273.70	273.70	0.00	285.71	285.71	0.00	Item 18
19	$ 745,021	$ 521,515	$ 223,506	$ 835,527	$ 547,382	$ 288,280	$ 5,067,056		$ 5,067,056	$ 1,987,947	$ 1,987,947		$ 2,176,384	$ 2,176,384		Item 19
20	$ 745,021	$ 521,515	$ 223,506	$ 835,527	$ 547,382	$ 288,280	$ 5,067,056		$ 5,067,056	$ 1,987,947	$ 1,987,947		$ 2,176,384	$ 2,176,384		Item 20*
21	$ 9,948,151	$ 6,963,706	$ 2,984,445	$ 8,174,758	$ 5,305,418	$ 2,869,340	$ 28,509,309	$ -	$ 28,509,309	$ 13,161,923	$ 13,161,923	$ -	$ 14,171,022	$ 14,171,022	$ -	Item 21*
22	$ 9,203,130	$ 6,442,191	$ 2,760,939	$ 7,339,231	$ 4,758,036	$ 2,581,060	$ 23,442,253		$ 23,442,253	$ 11,173,976	$ 11,173,976		$ 11,994,638	$ 11,994,638		Item 22**

WEST ORANGE COUNTY SELPA

SELPA EXCESS COST CALCULATION SUMMARY - 2014/2015

9/20/2015

West Orange County SELPA TOT	West Orange County SELPA %ELEM	West Orange County SELPA %SEC		
	67.43%	32.57%	Enter certificated staff FTE %s	
			Section a. First the LEA must determine the total amount of its expenditures for students from all OPERATING funds—local, State, and Federal (including Part B)—in 2013-2014. (Use FUNDS 01-09, 13, and 61-62 ONLY)	
$ 360,899,278	$ 243,354,383	$ 117,544,895	Item 1	State and Local Expenditures - FD 01-09, 13, 61, 62; RS 0000-2999 and 6000-9999 Objects 1000-7999
$ 33,473,863	$ 22,571,426	$ 10,902,437	Item 2	Federal Expenditures - FD 01-09, 13, 61, 62; RS 3000-5999 (excluding 3315, 3320, 3312, 3318, 3332, 3355 & state portion of 3385)
$ 394,373,141	$ 265,925,809	$ 128,447,332	Item 3	Total Expenditures
			Section b. Next, the LEA must subtract from the total expenditures calculated in section a. above all amounts spent in 2013-2014 for the following resources (these are considered supplemental expenditures). These are actual expenditures only. (Use FUNDS 01-09, 13, and 61-62 ONLY)	
$ 394,373,141	$ 265,925,809	$ 128,447,332	Item 4	Total Expenditures
$ 8,859,762	$ 5,974,138	$ 2,885,624	Item 5	IDEA, Part B allocation - RS 3310, 3311, 3327, 3386
$ 5,220,519	$ 3,520,196	$ 1,700,323	Item 6	Title I, Part A Allocation - RS 3010,3011, 3012, 3013, 3175-3178, 3185
$ 881,240	$ 594,220	$ 287,020	Item 7	Title III, Part A & B Allocation - RS 4201-4204
$ 68,509,872	$ 46,196,207	$ 22,313,665	Item 8	State & Local Funds Spent for Children With Disabilities - Goal 5xxx
$ -	$ -	$ -	Item 9	State & Local Funds Spent for Title I, Part A & Title III, Parts A & B (GF contributions) Resources listed above in items 6-7
$ 310,901,748	$ 209,641,049	$ 101,260,699	Item 10	Total Expenditures less supplemental expenditures
			Section c. Next, deduct capital outlay and debt service for resources not listed in section b. above. (FUNDS 01-09, 13, 61-62 ONLY)	
$ 310,901,748	$ 209,641,049	$ 101,260,699	Item 11	Total Expenditures less supplemental expenditures
$ 2,062,473	$ 1,390,726	$ 671,747	Item 12	Capital Outlay and Debt - OBJ 6xxx, &/or OBJ 7438, &/or OBJ 7439, &/or FUNCTION 8500
$ 308,839,275	$ 208,250,323	$ 100,588,952	Item 13	Total Expenditures less Capital Outlay & Debt
			Section d. Next, the LEA must determine the average annual per student expenditure dividing the average number of students enrolled in the school of the agency during 2013-2014 (including its children with disabilities) into the amount computed under the above paragraph. The amount obtained through this computation is the minimum amount the LEA must spend (on the average) for the education of each of its children with disabilities 'before' Part B funds may be used.	
$ 308,839,275	$ 208,250,323	$ 100,588,952	Item 14	Total amount for average calculation
48,713	27,945	20,768	Item 15	Number of students enrolled in 2013-2014 school year - CBEDS, ALL students (General Ed and Special Ed)
$ 6,340	$ 7,452	$ 4,843	Item 16	Average annual expenditure per student
			Section e. Next, to determine the total minimum amount of funds the LEA must spend for the education of its children with disabilities in the LEA (not including capital outlay and debt service), the LEA must multiply the number of children with disabilities in the LEA during 2014-2015 times the average annual per student expenditure obtained in section d. above. Funds under Part B of the Act can only be used for excess costs over and above this minimum.	
$ 6,340	$ 7,452	$ 4,843	Item 17	Average annual expenditure per student
1,637.47	853.35	784.12	Item 18	Number of full-time special ed student equivalents (FTE of time spent in special ed classes)
$ 10,381,521	$ 6,359,292	$ 3,797,853	Item 19	TOTAL MINIMUM AMOUNT THAT MUST BE SPENT BEFORE USING PART B FUNDS (Excess Cost)
			Section f. Finally, determine how much was spent in 2015-2016 on district children with disabilities and verify this amount is equal to or exceeds the amount calculated in section e. above (FUNDS 01-09, 13, 61-62 ONLY)	
$ 10,381,521	$ 6,359,292	$ 3,797,853	Item 20*	TOTAL MINIMUM AMOUNT THAT MUST BE SPENT BEFORE USING PART B FUNDS (Excess Cost)
$ 69,215,740	$ 46,672,173	$ 22,543,567	Item 21*	2014-2015 expenditures - State & Local Funds Spent for Children With Disabilities - RS 0000-2999; 6000-9999
$ 58,834,219	$ 40,312,882	$ 18,745,714	Item 22**	Amount spent on children with disabilities in excess of requirement*

	Fountain Valley School District			Huntington Beach City School District			Huntington Beach Union High School District			Ocean View School District			Westminster School District			
	TOT	%ELEM	%SEC	TOT	%ELEM	%SEC	TOT	%ELEM	%SEC	TOT	%ELEM	%SEC	TOT	%ELEM	%SEC	
		70.00%	30.00%		67.14%	32.86%		0.00%	100.00%		100.00%	0.00%		100.00%	0.00%	
1	$ 44,257,528	$ 30,980,270	$ 13,277,258	$ 49,383,134	$ 33,155,836	$ 16,227,298	$ 143,272,672	$ -	$ 143,272,672	$ 66,821,610	$ 66,821,610	$ -	$ 57,164,334	$ 57,164,334	$ -	Item 1
2	$ 2,988,077	$ 2,091,654	$ 896,423	$ 3,947,952	$ 2,650,655	$ 1,297,297	$ 10,386,517	$ -	$ 10,386,517	$ 6,458,840	$ 6,458,840	$ -	$ 9,692,477	$ 9,692,477	$ -	Item 2
3	$ 47,245,605	$ 33,071,924	$ 14,173,682	$ 53,331,086	$ 35,806,491	$ 17,524,595	$ 153,659,189	$ -	$ 153,659,189	$ 73,280,450	$ 73,280,450	$ -	$ 66,856,811	$ 66,856,811	$ -	Item 3
4	$ 47,245,605	$ 33,071,924	$ 14,173,682	$ 53,331,086	$ 35,806,491	$ 17,524,595	$ 153,659,189	$ -	$ 153,659,189	$ 73,280,450	$ 73,280,450	$ -	$ 66,856,811	$ 66,856,811	$ -	Item 4
5	$ 919,488	$ 643,642	$ 275,846	$ 1,526,526	$ 1,024,910	$ 501,616	$ 2,802,713	$ -	$ 2,802,713	$ 1,548,648	$ 1,548,648	$ -	$ 2,062,387	$ 2,062,387	$ -	Item 5
6	$ 220,159	$ 154,111	$ 66,048	$ 474,635	$ 318,670	$ 155,965	$ 1,516,275	$ -	$ 1,516,275	$ 889,468	$ 889,468	$ -	$ 2,119,982	$ 2,119,982	$ -	Item 6
7	$ 43,394	$ 30,376	$ 13,018	$ 62,754	$ 42,133	$ 20,621	$ 253,759	$ -	$ 253,759	$ 239,706	$ 239,706	$ -	$ 281,627	$ 281,627	$ -	Item 7
8	$ 10,686,776	$ 7,480,743	$ 3,206,033	$ 8,587,345	$ 5,765,543	$ 2,821,802	$ 23,914,506	$ -	$ 23,914,506	$ 11,803,532	$ 11,803,532	$ -	$ 13,517,713	$ 13,517,713	$ -	Item 8
9	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	Item 9
10	$ 35,375,788	$ 24,763,052	$ 10,612,736	$ 42,679,826	$ 28,655,235	$ 14,024,591	$ 125,171,936	$ -	$ 125,171,936	$ 58,799,096	$ 58,799,096	$ -	$ 48,875,102	$ 48,875,102	$ -	Item 10
11	$ 35,375,788	$ 24,763,052	$ 10,612,736	$ 42,679,826	$ 28,655,235	$ 14,024,591	$ 125,171,936	$ -	$ 125,171,936	$ 58,799,096	$ 58,799,096	$ -	$ 48,875,102	$ 48,875,102	$ -	Item 11
12	$ 338,270	$ 236,789	$ 101,481	$ 893,197	$ 599,692	$ 293,505	$ 267,135	$ -	$ 267,135	$ 543,443	$ 543,443	$ -	$ 20,428	$ 20,428	$ -	Item 12
13	$ 35,037,518	$ 24,526,263	$ 10,511,255	$ 41,786,629	$ 28,055,543	$ 13,731,086	$ 124,904,801	$ -	$ 124,904,801	$ 58,255,653	$ 58,255,653	$ -	$ 48,854,674	$ 48,854,674	$ -	Item 13
14	$ 35,037,518	$ 24,526,263	$ 10,511,255	$ 41,786,629	$ 28,055,543	$ 13,731,086	$ 124,904,801	$ -	$ 124,904,801	$ 58,255,653	$ 58,255,653	$ -	$ 48,854,674	$ 48,854,674	$ -	Item 14
15	6,337	4,436	1,901	7,002	4,566	2,436	16,431	-	16,431	9,223	9,223		9,720	9,720	-	Item 15
16	$ 5,529	$ 5,529	$ 5,529	$ 5,968	$ 6,144	$ 5,637	$ 7,602		$ 7,602	$ 6,316	$ 6,316		$ 5,026	$ 5,026		Item 16
17	$ 5,529	$ 5,529	$ 5,529	$ 5,968	$ 6,144	$ 5,637	$ 7,602		$ 7,602	$ 6,316	$ 6,316		$ 5,026	$ 5,026		Item 17
18	137.27	96.09	41.18	154.12	109.25	44.87	698.07	0.00	698.07	320.35	320.35	0.00	327.66	327.66	0.00	Item 18
19	$ 758,971	$ 531,273	$ 227,698	$ 919,759	$ 671,281	$ 252,920	$ 5,306,573		$ 5,306,573	$ 2,023,441	$ 2,023,441		$ 1,646,885	$ 1,646,885		Item 19
20	$ 758,971	$ 531,273	$ 227,698	$ 919,759	$ 671,281	$ 252,920	$ 5,306,573		$ 5,306,573	$ 2,023,441	$ 2,023,441		$ 1,646,885	$ 1,646,885		Item 20*
21	$ 9,678,292	$ 6,774,804	$ 2,903,488	$ 7,064,978	$ 4,743,426	$ 2,321,552	$ 26,365,201	$ -	$ 26,365,201	$ 12,328,706	$ 12,328,706	$ -	$ 13,778,563	$ 13,778,563	$ -	Item 21*
22	$ 8,919,321	$ 6,243,531	$ 2,675,790	$ 6,145,219	$ 4,072,145	$ 2,068,631	$ 21,058,628		$ 21,058,628	$ 10,305,265	$ 10,305,265		$ 12,131,678	$ 12,131,678		Item 22**

WOCCSE INCOME AND BUDGET 2016/2017 Projected vs. 2016/2017 First Interim

12/14/2016

	2016/2017 PROJECTED					2016/2017 FIRST INTERIM					DIFF.	%DIFF
I.	*INCOME*	COLA	unadjuste	Reg. Ser.			COLA	unadjus	Reg. Ser.			
A.	Carry Over from Prior Year	COLA	0.00%	IPSUs	$ -		COLA	0.00%	IPSUs	$ -	0	
B.	Carry-Over Low Incidence				0					44,852	44,852	-
C.	Carry-Over - Staff Development				0					12,998	12,998	-
D.	Income WOCCSE Staff Development				0					0	0	-
E.	Copy Charges and Miscellaneous				0					0	0	-
F.	PY Adjustments				0					0	0	-
G.	Regional Services (AB602 Section F)			678,104					709,417		31,313	4.41%
1.	Prior Year Income			0					0		0	
2.	IPSU Funding Forward			406,867					421,388		14,521	3.45%
3.	VI Funding Forward			387,085					400,896		13,811	3.45%
4.	Low Incider 280 X 432.80			121,185		280 X 430.00			120,400		(785)	
5.	AB602 Staff Development Funds			18,489					19,343		854	
	Total State				1,611,730					1,671,444	59,714	3.57%
H.	Excess Costs Contribution	5061 X 207.92			1,052,281	5061 X 184.55				933,997	(118,284)	-11.2%
I.	Total Gross Income				**2,664,011**					**2,663,291**	**58,994**	2.2%
J.	Deficits: Reg.Ser./Low Inc.	0.00%		0			0.00%		0			
	IPSUs	0.00%		0			0.00%		0			
	Total Deficits				0					0	0	
	Total Income W/O Non-Shared				**2,664,011**					**2,663,291**	**(720)**	0.0%
	NON-SHARED PROGRAMS:											
K.	Autism Program - Classified			0					0		0	
L.	Autism Program - Certificated			273,797					267,907		(5,890)	-2.2%
M.	AT/AAC Specialist			0					128,337		128,337	100.0%
N.	Literacy Specialist			25,344					25,700		356	1.4%
O.	Occupational/Phsical Therapy			1,506,914					1,642,898		135,984	8.3%
P.	NPS/NPA Tuition			1,301,257					1,755,924		454,667	25.9%
Q.	Taxicab/Van Transportation			215,454					198,333		(17,121)	-7.9%
R.	County Tuition			1,034,403					1,294,721		260,318	20.1%
S.	ULS Licenses			30,755					38,669		7,914	20.5%
T.	SIBS Licenses			0					0		0	
U.	Ongoing County Tuition			15,573					15,573		0	
					4,403,497					**5,368,062**	**964,565**	18.0%
V.	Prior Year										0	
W.	Mental Health										0	
					4,403,497					**5,368,062**	**964,565**	18.0%
X.	NET INCOME				**$7,067,508**					**$8,031,353**	**963,845**	12.0%

V-C (13)

WOCCSE INCOME AND BUDGET 2016/2017 Projected vs. 2016/2017 First Interim

12/7/2016

	2016/2017 PROJECTED			2016/2017 FIRST INTERIM		DIFF.	%DIFF
II. BUDGET							
A.	Regional Services	1,240,157		1,198,511		(41,646)	-3.4%
B.	Program Specialists	226,871		187,354		(39,517)	-17.4%
C.	Occupational/Physical Therapy	0		0		0	
D.	Misc. Expenses (Audio & Facilities)	122,327		172,316		49,989	29.0%
E.	Low Incidence Materials	125,705		120,400		(5,305)	-4.2%
F.	SDC Itinerant Teachers	871,474		843,663		(27,811)	-3.2%
G.	All Other Operating	47,477		53,197		5,720	10.8%
H.	Carry-Over Low Incidence	0		44,852		44,852	100.0%
I.	Carry-Over WOCCSE Staff Development	0		12,998		12,998	100.0%
J.	Reserve	30,000		30,000		0	
	Total Administrative Costs		**2,664,011**		**2,663,291**	**(720)**	0.0%
K.	Expenses Paid by Responsible District(s)						
1	Autism Program - Classified	0		0		0	
2	Autism Program - Certificated	273,797		267,907		(5,890)	-2.2%
3	AT/AAC Specialist	0		128,337		128,337	100.0%
4	Literacy Specialist	25,344		25,700		356	1.4%
5	Occupational/Phsical Therapy	1,506,914		1,642,898		135,984	8.3%
6	NPS/NPA Tuition	1,301,257		1,755,924		454,667	25.9%
7	Taxicab/Van Transportation	215,454		198,333		(17,121)	-7.9%
8	County Tuition	1,034,403		1,294,721		260,318	20.1%
9	ULS Licenses	30,755		38,669		7,914	20.5%
10	SIBS Licenses	0		0		0	
11	Ongoing County Tuition	15,573		15,573		0	
L.	**Total Non-Shared Programs**		**4,403,497**		**5,368,062**	**964,565**	18.0%
M.	Prior Year Adjustment					0	
N.	Holding for Reduction in Growth					0	
O.	TOTAL EXPENSES/BUDGET		**$7,067,508**		**$8,031,353**	**963,845**	12.0%
III. BALANCE	A. TOTAL INCOME		$7,067,508		$8,031,353		
	B. TOTAL BUDGET		7,067,508		8,031,353		
	C. BALANCE		$0		$0		

WOCCSE BUDGET 2016/2017
FIRST INTERIM

Line	BUDGET DESCRIPTION	1617 PROPOSED	diff	1617 FIRST INTRM	%chg	Line
1	Administrative Unit					1
2	Regional Services					2
3	WOCCSE Executive Director Salary	$176,040.00	$2.00	$176,042.00	0%	3
4	WOCCSE Director Salary (2.00 FTE)	$312,896.00	($4.00)	$312,892.00	0%	4
5	Fiscal Manager Salary	$212,568.00	($94,965.00)	$117,603.00	-45%	5
6	Executive Secretary Salary	$82,448.00		$82,448.00		6
7	Senior Account Clerk Salary	$57,708.00	$3,036.00	$60,744.00	5%	7
8	Administrative Secretary Salary	$56,100.00	$2,952.00	$59,052.00	5%	8
9	WOCCSE Executive Director Fringe	$57,036.00	$231.00	$57,267.00	0%	9
10	WOCCSE Director Fringe	$89,935.00	$344.00	$90,279.00	0%	10
11	Fiscal Manager Fringe	$98,376.00	($35,585.00)	$62,791.00	-36%	11
12	Executive Secretary Fringe	$29,415.00		$29,415.00		12
13	Senior Account Clerk Fringe	$36,569.00	$761.00	$37,330.00	2%	13
14	Administrative Secretary Fringe	$22,810.00	$740.00	$23,550.00	3%	14
15	Other Books	$25.00	$83.00	$108.00	77%	15
16	Supplies Administration	$3,700.00	$500.00	$4,200.00	12%	16
17	Equipment	$1,800.00		$1,800.00		17
18	Equipment Replacement	$5,500.00	($500.00)	$5,000.00	-9%	18
19	Professional Business	$3,700.00		$3,700.00		19
20	Mileage Reimbursement Only	$0.00		$0.00		20
21	Mileage Other Administration	$2,784.00	($1,392.00)	$1,392.00	-50%	21
22	Mileage WOCCSE Directors	$11,568.00		$11,568.00		22
23	Professional Dues	$675.00	$2,025.00	$2,700.00	75%	23
24	Liability Insurance	$1,500.00		$1,500.00		24
25	Copier Lease	$4,900.00	$8,514.00	$13,414.00	63%	25
26	Equipment Maintenance	$750.00	($750.00)	$0.00	-100%	26
27	Supplies Warehouse - District	$750.00		$750.00		27
28	Duplicating	$3,400.00		$3,400.00		28
29	AV/Equipment Supplies	$0.00		$0.00		29
30	Language!	$0.00		$0.00		30
31	Professional Services - Non-Instruction	$1,000.00		$1,000.00		31
32	Legal Fees	$8,000.00	($1,300.00)	$6,700.00	-16%	32

V-C (15)

WOCCSE BUDGET 2016/2017
FIRST INTERIM

Line	BUDGET DESCRIPTION	1617 PROPOSED	diff	1617 FIRST INTRM	%chg	Line
33	San Joaquin - SEIS	$24,059.00	$6,307.00	$30,366.00	21%	33
34	Telephone	$50.00	($50.00)	$0.00	-100%	34
35	Postage	$1,500.00		$1,500.00		35
36	SUBTOTAL: Regional Services	$1,307,562.00	($109,051.00)	$1,198,511.00	-8%	36
37	Program Specialists					37
38	Program Specialists Salary (1.30 FTE)	$188,523.00	($47,604.00)	$140,919.00	-25%	38
39	Program Specialists Fringe	$60,048.00	($20,384.00)	$39,664.00	-34%	39
40	Supplies Administration	$500.00		$500.00		40
41	Equipment	$0.00	$1,251.00	$1,251.00	100%	41
42	Professional Business	$100.00	($50.00)	$50.00	-50%	42
43	Mileage	$4,920.00		$4,920.00		43
44	Duplicating	$0.00	$50.00	$50.00	100%	44
45	SUBTOTAL: Program Specialists	$254,091.00	($66,737.00)	$187,354.00	-26%	45
46	Miscellaneous Operations					46
47	Facilities/Rents/Leases	$116,422.00	$13,609.00	$130,031.00	10%	47
48	Audiologist	$43,032.00	($747.00)	$42,285.00	-2%	48
49	Telephone Systems Charge	$0.00		$0.00		49
50	SUBTOTAL: Miscellaneous Operations	$159,454.00	$12,862.00	$172,316.00	7%	50
51	Low-Incidence Materials					51
52	Materials and Equipment	$107,070.00	$13,330.00	$120,400.00	11%	52
53	SUBTOTAL: Low-Incidence Materials	$107,070.00	$13,330.00	$120,400.00	11%	53
54	SDC Itinerant Teachers					54
55	Teachers Salary (2.00 FTE, AT-HI)	$211,039.00		$211,039.00		55
56	VI Teacher Salary (4.00 FTE)	$369,010.00		$369,010.00		56
57	VI Braille Transcriber Salary (0.9355 FTE)	$54,169.00	$1,890.00	$56,059.00	3%	57
58	VI Intermediate Clerk Typist (0.39 FTE)	$0.00		$0.00		58
59	Teacher Fringe	$63,126.00		$63,126.00		59
60	VI Teacher Fringe	$116,940.00	$4.00	$116,944.00	0%	60
61	VI Braille Transcriber Fringe	$8,786.00	$404.00	$9,190.00	4%	61
62	VI Intermediate Clerk Fringe	$0.00		$0.00		62
63	Instructional Materials	$1,500.00		$1,500.00		63

V-C (16)

WOCCSE BUDGET 2016/2017
FIRST INTERIM

Line	BUDGET DESCRIPTION	1617 PROPOSED	diff	1617 FIRST INTRM	%chg	Line
64	Equipment	$5,000.00		$5,000.00		64
65	Professional Business	$100.00		$100.00		65
66	Mileage	$9,850.00		$9,850.00		66
67	Supplies Warehouse - District	$100.00		$100.00		67
68	Duplicating	$65.00		$65.00		68
69	Telephone Monthly	$1,350.00	$330.00	$1,680.00	20%	69
70	Pagers	$0.00		$0.00		70
71	SUBTOTAL: SDC Itinerant Teachers	$841,035.00	$2,628.00	$843,663.00	0%	71
72	All Other Operating					72
73	Substitute Teachers for Transition	$0.00		$0.00		73
74	Interpretors/Bilingual Aides/Translation	$1,000.00		$1,000.00		74
75	AB602 Staff Development Funds	$19,760.00		$19,760.00		75
76	Local Staff Development	$23,800.00		$23,800.00		76
77	WOCCSE Staff Development Funds	$8,637.00		$8,637.00		77
78	SUBTOTAL: All Other Operating	$53,197.00	$0.00	$53,197.00	0%	78
79	Contigency/Economic Uncertanties/Refund					79
80	Reserve	$30,000.00		$30,000.00		80
81	Holding for Recapture of Growth	($88,398.00)	$88,398.00	$0.00	#DIV/0!	81
82	Prior Year Adjustment	$0.00		$0.00		82
83	Carry-Over Low Incidence	$0.00	$44,852.00	$44,852.00	100%	83
84	Carry-Over WOCCSE Staff Development Funds	$0.00	$12,998.00	$12,998.00	100%	84
85	Salary and Fringe Adjustment	$0.00		$0.00		85
86	Carry-Over Refund	$0.00		$0.00		86
87	SUBTOTAL: Contigency/Economic Uncertanties/Refund	($58,398.00)	$146,248.00	$87,850.00	166%	87
88	SUBTOTAL: Administrative Unit	$2,664,011.00	($720.00)	$2,663,291.00	0%	88
89	Responsible District					89
90	Autism Program K12					90
91	Program Specialists Salary (1.50 FTE)	$184,296.00		$184,296.00		91
92	Program Specialists Fringe	$68,401.00	($5,890.00)	$62,511.00	-9%	92
93	Professional Business	$100.00		$100.00		93
94	Mileage	$1,000.00		$1,000.00		94

V-C (17)

WOCCSE BUDGET 2016/2017
FIRST INTERIM

Line	BUDGET DESCRIPTION	1617 PROPOSED	diff	1617 FIRST INTRM	%chg	Line
95	Autism Consultant	$20,000.00		$20,000.00		95
96	Pagers	$0.00		$0.00		96
97	Other	$0.00		$0.00		97
98	SUBTOTAL: Autism Program K12	$273,797.00	($5,890.00)	$267,907.00	-2%	98
99	AT/AAC Specialist					99
100	AT/AAC Specialist Salary (1.00 FTE)	$0.00	$101,751.00	$101,751.00	100%	100
101	AT/AAC Specialist Fringe	$0.00	$25,736.00	$25,736.00	100%	101
102	Mileage	$0.00	$850.00	$850.00	100%	102
103	SUBTOTAL: AT/ACC Specialist	$0.00	$128,337.00	$128,337.00	100%	103
104	Literacy Specialist (20% of Total Cost)					104
105	Literacy Specialist Salary	$19,482.00	$673.00	$20,155.00	3%	105
106	Literacy Specialist Fringe	$5,862.00	($317.00)	$5,545.00	-5%	106
107	SUBTOTAL: Literacy Specialist	$25,344.00	$356.00	$25,700.00	1%	107
108	Occupational/Physical Therapy K12 Funded by Services Provided					108
109	Occupational Therapists Salary (8.00 FTE)	$783,802.00	$65,605.00	$849,407.00	8%	109
110	Physical Therapist Salary (3.00 FTE)	$256,163.00	$31,363.00	$287,526.00	11%	110
111	Physical Therapist Fringe	$109,294.00	$7,060.00	$116,354.00	6%	111
112	Occupational Therapists Fringe	$344,482.00	$31,806.00	$376,288.00	8%	112
113	Supplies Administration	$500.00	$150.00	$650.00	23%	113
114	Professional Business	$0.00		$0.00		114
115	Mileage	$12,673.00		$12,673.00		115
116	Pagers	$0.00		$0.00		116
117	Other	$0.00		$0.00		117
118	SUBTOTAL: Occupational Therapy K12 Funded by Service Provider	$1,506,914.00	$135,984.00	$1,642,898.00	8%	118
119	NPS Tuition					119
120	Fountain Valley	$155,845.00	$35,499.00	$191,344.00	19%	120
121	Huntington Beach City	$498,485.00	($68,560.00)	$429,925.00	-14%	121
122	Huntington Beach High	$462,980.00	$141,922.00	$604,902.00	23%	122
123	Ocean View	$87,622.00	$205,021.00	$292,643.00	70%	123
124	Westminster	$96,325.00	$140,785.00	$237,110.00	59%	124
125	SUBTOTAL: NPS Tuition	$1,301,257.00	$454,667.00	$1,755,924.00	26%	125

V-C (18)

WOCCSE BUDGET 2016/2017
FIRST INTERIM

Line	BUDGET DESCRIPTION	1617 PROPOSED	diff	1617 FIRST INTRM	%chg	Line
126	Taxicab/Van Transportation					126
127	Fountain Valley	$42,496.00	($17,459.00)	$25,037.00	-41%	127
128	Huntington Beach City	$26,822.00	($12,189.00)	$14,633.00	-45%	128
129	Huntington Beach High	$37,240.00	$4,653.00	$41,893.00	11%	129
130	Ocean View	$57,146.00	$4,136.00	$61,282.00	7%	130
131	Westminster	$51,750.00	$3,738.00	$55,488.00	7%	131
132	Holding	$0.00		$0.00		132
133	SUBTOTAL: Taxicab/Van Transportation	$215,454.00	($17,121.00)	$198,333.00	-8%	133
134	County Tuition					134
135	Fountain Valley	$14,769.00	($14,769.00)	$0.00	-100%	135
136	Huntington Beach City	$0.00	$59,387.00	$59,387.00	0%	136
137	Huntington Beach High	$1,009,219.00	$181,351.00	$1,190,570.00	15%	137
138	Ocean View	$0.00	$44,764.00	$44,764.00	100%	138
139	Westminster	$10,415.00	($10,415.00)	$0.00	-100%	139
140	SUBTOTAL: County Tuition	$1,034,403.00	$260,318.00	$1,294,721.00	20%	140
141	County Tuition Ongoing					141
142	Fountain Valley	$8,091.00		$8,091.00		142
143	Huntington Beach High	$3,745.00		$3,745.00		143
144	Westminster	$3,737.00		$3,737.00		144
145	SUBTOTAL: County Tuition Ongoing	$15,573.00	$0.00	$15,573.00	0	145
146	Other Non-Shared					146
147	ULS and SIBS Licenses	$30,755.00	$7,914.00	$38,669.00	20%	147
148	SUBTOTAL: Other Non-Shared	$30,755.00	$7,914.00	$38,669.00	20%	148
149	SUBTOTAL: Responsible District	$4,403,497.00	$964,565.00	$5,368,062.00	18%	149
150	TOTAL BUDGET	$7,067,508.00	$963,845.00	$8,031,353.00	12%	150

WEST ORANGE COUNTY CONSORTIUM FOR SPECIAL EDUCATION 2016/2017

NPS/NPA Contracted Services Summary

First Interim Projections

	Type of Placement	AB602	MH	Total
FVSD				
	Independent Contractor	7,950.00	12,799.60	20,749.60
	Non-Public Agency	6,414.40	500.00	6,914.40
	NPS Day School	176,979.53	19,585.63	196,565.16
	Orange County Dept of Ed	-	-	-
	Residential Placement	-	-	-
	FVSD NPS/NPA Contracted Services	191,343.93	32,885.23	224,229.16
HBCSD				
	Independent Contractor	22,300.00	9,999.60	32,299.60
	Non-Public Agency	4,238.32	1,500.00	5,738.32
	NPS Day School	403,386.96	36,357.86	439,744.82
	Orange County Dept of Ed	-	-	-
	Residential Placement	-	147,184.00	147,184.00
	HBCSD NPS/NPA Contracted Services	429,925.28	195,041.46	624,966.74
HBUHSD				
	Independent Contractor	76,160.54	13,899.10	90,059.64
	Non-Public Agency	6,517.38	53,943.88	60,461.26
	NPS Day School	522,224.32	74,466.09	596,690.41
	Orange County Dept of Ed	-	-	-
	Residential Placement	-	1,294,747.81	1,294,747.81
	HBUHSD NPS/NPA Contracted Services	604,902.24	1,437,056.88	2,041,959.12
OVSD				
	Independent Contractor	12,470.00	9,999.60	22,469.60
	Non-Public Agency	22,425.59	1,625.00	24,050.59
	NPS Day School	257,747.49	50,945.37	308,692.86
	Orange County Dept of Ed	-	-	-
	Residential Placement	-	-	-
	OVSD NPS/NPA Contracted Services	292,643.08	62,569.97	355,213.05
WSD				
	Independent Contractor	-	13,999.60	13,999.60
	Non-Public Agency	4,924.91	4,200.00	9,124.91
	NPS Day School	232,185.00	117,072.25	349,257.25
	Orange County Dept of Ed	-	-	-
	Residential Placement	-	-	-
	WSD NPS/NPA Contracted Services	237,109.91	135,271.85	372,381.76

WEST ORANGE COUNTY CONSORTIUM FOR SPECIAL EDUCATION **2016/2017**

NPS/NPA Contracted Services Summary

First Interim Projections

	Type of Placement	AB602	MH	Total
SELPA				
	Independent Contractor	118,880.54	60,697.50	179,578.04
	Non-Public Agency	44,520.60	61,768.88	106,289.48
	NPS Day School	1,592,523.30	298,427.20	1,890,950.50
	Orange County Dept of Ed	-	-	-
	Residential Placement	-	1,441,931.81	1,441,931.81
	SELPA NPS/NPA Contracted Services	**1,755,924.44**	**1,862,825.39**	**3,618,749.83**

NON-SHARED PROGRAMS 2016/2017

First Interim Projections

12/14/2016

Current Budgeted Costs

	Autism Classified	Autism Certificated	O/T Program	P/T Program	
Salaries		184,296.00	849,407.00	287,526.00	
Fringe		62,511.00	376,288.00	116,354.00	
Supplies			500.00	150.00	
Travel		100.00			
Mileage		1,000.00	8,000.00	4,673.00	
Autism Consultant		20,000.00			
Other					
Pagers					
Total Cost	-	267,907.00	1,234,195.00	408,703.00	Total OT and PT
					1,642,898.00

Autism Classified Cost Allocation

	15/16 P-2 ADA	Percent	Autism Classified	Collections: Prior Collections	Collections: Curr Apport	Collections: Balance Remaining
FVSD	6,197.33	20.26%	-	*0.00*		*0.00*
HBC	6,775.07	22.15%	-	*0.00*		*0.00*
HBUHSD	----	----	-	*0.00*		*0.00*
OVSD	8,435.86	27.58%	-	*0.00*		*0.00*
WSD	9,174.90	30.00%	-	*0.00*		*0.00*
Total	30,583.16	100.00%	-	*0.00*	*0.00*	*0.00*

Autism Certificated Cost Allocation

	15/16 P-2 ADA	Percent	Autism Certificated	Collections: Prior Collections	Collections: Curr Apport	Collections: Balance Remaining
FVSD	6,197.33	13.49%	36,146.69			*36,146.69*
HBC	6,775.07	14.75%	39,516.43			*39,516.43*
HBH	15,349.35	33.42%	89,526.96			*89,526.96*
OVSD	8,435.86	18.37%	49,203.19			*49,203.19*
WSD	9,174.90	19.97%	53,513.73			*53,513.73*
Total	45,932.51	100.00%	267,907.00	*0.00*		*267,907.00*

Occupational Therapy Cost Allocation

	OTs 2015/2016 Jul - Jun Hours	Percent	O/T By Services Provided	Collections: Prior Collections	Collections: Curr Apport	Collections: Balance Remaining
FVSD	1,901.90	16.92%	208,815.46			*208,815.46*
HBC	3,192.70	28.40%	350,536.37			*350,536.37*
HBH	1,002.60	8.92%	110,078.54			*110,078.54*
OVSD	2,353.60	20.94%	258,409.00			*258,409.00*
WSD	2,790.30	24.82%	306,355.63			*306,355.63*
Total	11,241.10	100.00%	1,234,195.00	*0.00*		*1,234,195.00*

Physical Therapy Cost Allocation

	PTs 2015/2016 Jul - Jun Hours	Percent	P/T By Services Provided	Collections: Prior Collections	Collections: Curr Apport	Collections: Balance Remaining
FVSD	546.00	13.82%	56,462.69			*56,462.69*
HBC	871.60	22.05%	90,133.48			*90,133.48*
HBH	382.70	9.68%	39,575.58			*39,575.58*
OVSD	1,015.90	25.70%	105,055.76			*105,055.76*
WSD	1,136.00	28.74%	117,475.49			*117,475.49*
Total	3,952.20	100.00%	408,703.00	*0.00*		*408,703.00*

2016/2017 EXCESS COST CONTRIBUTION

12/14/2016

2016/2017 FIRST INTERIM		FVSD	HBC	HBUHSD	OVSD	WSD	TOTAL
1. DECEMBER 2015 UDC		573	789	1,601	1,079	1,019	5,061
2. PERCENT TO TOTAL		11.32%	15.59%	31.63%	21.32%	20.13%	100.00%
3. 2015/2016 Excess Cost Estimate							
5,061	184.547915432	105,746.00	145,608.00	295,462.00	199,127.00	188,054.00	933,997.00
4. Autism Program - Classified		-	-	-	-	-	-
5. Autism Program - Certificated		36,147.00	39,516.00	89,527.00	49,203.00	53,514.00	267,907.00
6. AT/AAC Specialist		32,085.00	32,084.00		32,084.00	32,084.00	128,337.00
7. Literacy Specialist		6,425.00	6,425.00		6,425.00	6,425.00	25,700.00
8. OccupationaL Therapy		208,815.00	350,536.00	110,079.00	258,409.00	306,356.00	1,234,195.00
9. Physical Therapy		56,463.00	90,133.00	39,576.00	105,056.00	117,475.00	408,703.00
10. NPS/NPA Tuition		191,344.00	429,925.00	604,902.00	292,643.00	237,110.00	1,755,924.00
11. Taxicab/Van Transportation		25,037.00	14,633.00	41,893.00	61,282.00	55,488.00	198,333.00
12. County Tuition		-	59,387.00	1,190,570.00	44,764.00	-	1,294,721.00
13. Ongoing County Tuition		8,091.00		3,745.00		3,737.00	15,573.00
14. Purchase of ULS Licences		7,734.00	7,734.00	7,733.00	7,734.00	7,734.00	38,669.00
15. Purchase of SIBS Licences							-
16. Judgments/Settlements							-
17. TOTAL CONTRIBUTION		677,887.00	1,175,981.00	2,383,487.00	1,056,727.00	1,007,977.00	6,302,059.00
18. NET EXCESS COST CONTRIBUTION		105,746.00	145,608.00	295,462.00	199,127.00	188,054.00	933,997.00
19. Collections to Date		0.00	0.00	0.00	0.00	0.00	0.00
20. Balance		105,746.00	145,608.00	295,462.00	199,127.00	188,054.00	933,997.00
21. Monthly Deduct		8,812.00	12,134.00	24,622.00	16,594.00	15,671.00	77,833.00

	2016/2017 PROPOSED Excess Cost Contribution		2016/2017 FIRST INTERIM Excess Cost Contribution		DIFFERENCE	Excess Cost % Change	UDC %Change
	Excess Cost	2015 DEC UDC Count	Excess Cost	2015 DEC UDC Count			
FVSD	$119,138.00	573	$105,746.00	573	($13,392.00)	-11.2%	
HBC	$164,049.00	789	$145,608.00	789	($18,441.00)	-11.2%	
HBH	$332,879.00	1,601	$295,462.00	1,601	($37,417.00)	-11.2%	
OVSD	$224,345.00	1,079	$199,127.00	1,079	($25,218.00)	-11.2%	
WSD	$211,870.00	1,019	$188,054.00	1,019	($23,816.00)	-11.2%	
TOTAL	$1,052,281.00	5,061	$933,997.00	5,061	($118,284.00)	-11.2%	
Excess Cost per UDC	207.919581110		184.547915432		-23.371665679	-11.2%	

INTERAGENCY AGREEMENT
BETWEEN
LOCAL EDUCATION AGENCY
AND

STATE DEPARTMENT OF
CHILDREN MEDICAL SERVICES BRANCH,

CALIFORNIA CHILDREN SERVICES,
COUNTY OF ORANGE

REVISED May, 2001

SELPA:

HOST LEA:

PARTICIPATING LEA(S):

INTERAGENCY AGREEMENT
ORANGE COUNTY SELPA/CALIFORNIA CHILDREN SERVICES

INTRODUCTION

This Interagency Agreement was developed by representatives of the Orange County Special Education Local Plan Area (SELPA) and California Children Services (CCS).

The overriding purpose of this agreement is to build a relationship which results in the collaborative design and delivery of programs and services to support all students/clients to be successful during their school years and into adulthood. The shared goal is to provide services which promote physical health and educational services to the student/client.

The agreement applies to individuals ages birth to 21 years of age who are both CCS clients and students with exceptional needs who are the responsibility of a local education agency (LEA) of the SELPA.

The intent of this document is to:

1. Determine, clarify and coordinate each agency's responsibilities to the student/client and his/her family, including which services are to be provided by each agency.

2. Establish a means of joint planning, which will ensure that local resources will be developed and utilized in the most effective manner including:

    a. Commitment of resources based on identified needs

b. Delineation of each agency's fiscal responsibilities in providing needed services to the student/client

c. Delineation of shared fiscal responsibility of each LEA within the SELPA to support CCS services

3. Establish, facilitate and maintain communication and collaboration between agencies.

4. Ensure that each agency conforms to legislative mandates and to the intent of such mandates.

- AB 3632
- Education Code Part 30
- California Code of Regulations, Title 5
- Code of Federal Regulations (CFR) Part 300

DEFINITIONS

1. Assessment Plan for the CCS Medical Therapy Program for pupils with a disability who have an IEP means a written statement describing proposed:
   a. Procedures necessary for determination of medical eligibility for program; or
   b. Procedures necessary for the redetermination of need for medically necessary Physical Therapy or Occupational Therapy for a pupil known to be eligible for the CCS Medical Therapy Program.

2. CCS means California Children Services

3. CCS Panel means that group of physicians and other medical providers of services who have applied to and been approved by CCS.

4. CFR means Code of Federal Regulations

5. IEP means an Individualized Education Program provided by a Local Education Agency for school aged children with disabilities as defined in Education Code and Federal Regulations.

6. IFSP means Individualized Family Service Plan for Infants to age 3 who have or are suspected to have a disabling condition defined in education code and federal regulations.

7. Local Education Agency (LEA) School Districts and County Offices of Education providing education services to school aged children

8. Medical Therapy Conference means a team composed of pupil, parent, physician and Occupational and/or Physical Therapist. The team may include, with the consent of the pupil's parent(s), an education representative who is present for the purpose of coordination with medical services.

9. Medical therapy program eligible conditions are those diagnoses that make a pupil eligible for medical therapy services through CCS and include the diagnoses include the following diagnosed neuromuscular, musculoskeletal, or muscular diseases:
   a. Cerebral palsy, a nonprogressive motor disorder with onset in early childhood resulting from a lesion in the brain and manifested by the presence of one or more of the following findings:
      (1) Rigidity or spasticity;
      (2) Hypontonia, with normal or increased deep tendon reflexes and exaggeration or persistence of primitive reflexes beyond the normal age;
      (3) Involuntary movements, athetoid, choreoid, or dystonic; or
      (4) Ataxia, incoordination of voluntary movement, dysdiadochokinesia, intention tremor, reeling or shaking of trunk and head, staggering or stumbling, and broad-based gait.

b. Other neuromuscular diseases that produce muscle weakness and atrophy, such as poliomyelitis, myasthenias, muscular dystrophies;
c. Chronic musculoskeletal diseases, deformities or injuries, such as osteogenesis imperfecta, arthorogryposis, rheumatoid arthritis, amputation, and contractures resulting from burns.

10. Medical Therapy Services are Occupational and/or Physical Therapy services that require a medical prescription and are determined to be medically necessary by CCS. Medical Therapy Service include:
    a. Treatment, an intervention to individuals or groups of pupils in which there are Occupational and/or Physical Therapy services per California Business and Professions Code, Chapter 5.7, Article 2, Section 2620.
    b. Consultation, an Occupational and/or Physical Therapy activity that provides information and instruction to parents, care givers or LEA staff and other medical service providers.
    c. Monitoring, a regularly scheduled therapy activity in which the therapists re-evaluates the pupil's physical status, reviews those activities in the therapy plan which are provided by parents, care givers or LEA staff, and updates the therapy plan as necessary.
    d. Medical Therapy Conference, defined in number eight, above.

11. Medical Therapy Unit (MTU) means a CCS and LEA approved public school location where medical therapy services, including comprehensive evaluations and medical therapy conferences, are provided by CCS staff.

12. Medical Therapy Unit Satellite means a CCS and LEA approved extension of established Medical Therapy Unit (MTU) where medical therapy services may be provided by CCS. Comprehensive evaluations and medical therapy conferences are not a part of satellite services.

13. Medically necessary Occupational and/or Physical Therapy services are those services directed at achieving or preventing further loss of functional skills or reducing the incidence and severity of physical disability.

14. Necessary equipment means that equipment, provided by the LEA, which is required by the MTU staff to provide medically necessary Occupational and/or Physical Therapy to a pupil with a Medical Therapy Program eligible condition.

15. Necessary space means the facilities which are provided by the host LEA for a Medical Therapy Unit or a Medical Therapy Unit Satellite and enable the MTU staff to provide medically necessary therapy services to a pupil with a Medical Therapy Program eligible condition.

16. Occupational Therapy (OT) means services provided by or under the supervision of Occupational Therapists pursuant to California Code of Regulations, Title 5, Section 3051.6

17. Physical Therapy (PT) means services provided by or under the supervision of Physical Therapists pursuant to California Code of Regulations, Title 5, Section 3051.6b.

18. Therapy Plan means the written recommendations for medically necessary Occupational and/or Physical Therapy services based on the results of the therapy assessment and evaluation and is to be included in the IEP or IFSP.

ORANGE COUNTY HEALTH CARE AGENCY
CALIFORNIA CHILDREN SERVICES, MEDICAL THERAPY PROGRAM
AND ORANGE COUNTY DEPARTMENT OF EDUCATION

TASK	COUNTY CCS MTP	COUNTY SELPA/LEA
LIAISON	The county therapy consultant (MTP Liaison) will coordinate services for each MTP eligible child with the LEA Liaison.	The SELPA will identify (2) LEA Liaisons for each school district, who will coordinate special education referrals and services of all MTP eligible children within the county with the MTP Liaison. The LEA Liaisons are: (Title) Elementary (Title) Secondary
	The MTP Liaison will meet annually with the LEA Liaisons and SELPA to review and modify if necessary the Interagency Agreement (IA)	The LEA Liaisons and SELPA will meet annually with the MTP Liaison to review and modify if necessary the Interagency agreement (IA)

TASK	COUNTY CCS MTP	COUNTY SELPA/LEA
REFERRALS AND MEDICAL ELIGIBLITY DETERMINATION	The county CCS program shall accept a complete LEA Referral from the LEA Liaison(s) of a pupil (0-21 years of age), who may have or is suspected of having a neuromuscular, musculo-skeletal, or other physical impairment and require medically necessary occupational therapy or physical therapy. The county CCS Program will notify the LEA Liaison and parent of an incomplete referral within 5 days of receiving the referral by the CCS office. If the LEA referral is complete the county will notify the LEA and parent within 5 days with the Medical Eligibility Assessment Plan. CCS will determine if there is adequate documentation to determine medical eligibility for the MTP, approve or deny medical eligibility for MTP Services and notify the referring LEA Liaison, parent, and county MTP Liaison of the status of the referral within 5 days of the determination of medical eligibility.	The SELPA shall develop in coordination with the MTP Liaison the LEA Referral Form for MTP Services. The LEA Liaison shall assure that all referrals to CCS for MTP services include the LEA Referral Form, a signed CCS application by the parent/legal guardian, consent to exchange information between agencies signed by the parent/legal guardian, and any supporting medical documentation that describes the child's physical disability. The LEA Liaison(s) shall keep the IEP team informed of the status of the LEA referral for MTP services for the maintenance of the IEP time line. If there is a delay by parent or CCS to meet the timelines, LEA is responsible for getting an extension.

TASK	COUNTY CCS MTP	COUNTY SELPA/LEA
ASSESSMENT FOR MEDICALLY NECESSARY OCCUPATIONAL THERAPY OR PHYSICAL THERAPY	The county shall obtain consent to assess by sending the Therapy Assessment Plan to the parent/legal guardian for signature. Upon receipt of a signed Therapy Assessment Plan, CCS will provide an Occupational and/or Physical Therapy evaluation. Upon completion of the therapy evaluation report, a copy of the proposed CCS Therapy Plan will be sent to the LEA Liaison. The proposed CCS Therapy Plan will be reviewed by the prescribing physician/MTC physician for medically necessary therapy services. If there is a prolonged delay, the MTP staff will notify the LEA Liaison of the status. • CCS will offer assessment at another MTU and will vendor services to a CCS panel provider.	The LEA Liaison shall forward the proposed CCS Therapy Plan to the IEP team The LEA Liaison shall keep the IEP team informed of the status of the MTP assessment services and assist the parent/care giver when necessary.

TASK	COUNTY CCS MTP	COUNTY SELPA/LEA
MEDICAL THERAPY CONFERENCE	CCS will notify the LEA Liaison 10 days in advance of the MTC appointment. The parent/care giver is required to attend the MTC with the child. LEA representatives may participate in the multi-disciplinary discussion with the parent/care giver's consent. There shall be a private physician exam at the MTC. The MTC physicians will assess the child's need for medically necessary occupational and/or physical therapy based on the child's physical and functional status and the need for orthotics, durable medical equipment and specialty medical referrals related to the child's MTP eligible medical condition. The MTC physician shall determine the need for medically necessary occupational and/or physical therapy by signing the CCS Therapy Plan. A copy of the CCS Approved Therapy Plan is given to the parent/caretaker and sent by MTP staff to the LEA Liaison. A parent/legal guardian who is in disagreement with the CCS Approved Therapy Plan shall be given the conflict resolution procedure for referral to expert physician opinion.	The LEA Liaison shall forward the MTC appointment notice to the IEP team. The notice will serve as an invitation for the LEA Liaison or member of the IEP team to attend the conference in preparation for a possible modification to the current therapy plan. The LEA Liaison or member of the IEP team must notify the county CCS program and parent/caretaker of the intent to participate in the MTC, at least two days prior to the MTC.

TASK	COUNTY CCS MTP	COUNTY SELPA/LEA
EXCHANGE OF INFORMATION	The county CCS program in coordination with the SELPA/LEA shall use a form for parent/legal guardian's consent for the exchange of information between agencies.	The SELPA/LEA in coordination with the county CCS program shall use a form for parent/legal guardian's consent for the exchange of information between agencies.

TASK	COUNTY CCS MTP	COUNTY SELPA/LEA
PROFESSIONAL STANDARDS	CCS shall assure that PT services are provided by a CCS physical therapist or supervised physical therapy assistant that is licensed by the State of California in accordance with the Section 2620 et seq. Of the Business and Professional Code as established by the Physical Therapy Board of California. CCS shall assure that OT services are provided by a certified Occupational Therapist or Certified Occupational Therapy Assistant who holds a current certification from the National Board of Certification for Occupational Therapy in accordance with Section 2570 of the Business and Professions Code and the American Occupational Therapy Association, Standards of Practice for Occupational Therapy AJOT, 48(12) 1039-1043.	The SELPA/LEA shall assure that PT services are provided by physical therapist or supervised physical therapy assistant that is licensed by the State of California in accordance with the Section 2620 et seq. Of the Business and Professional Code as established by the Physical Therapy Board of California. The SELPA/LEA shall assure that OT services are provided by a certified Occupational Therapist or Certified Occupational Therapy Assistant that holds a current certification from the National Board of Certification for Occupational Therapy in accordance with Section 2570 of the Business and Professions Code and the American Occupational Therapy Association, Standards of Practice for Occupational Therapy AJOT; 48(12) 1039-1043.

TASK	COUNTY CCS MTP	COUNTY SELPA/LEA
PROVISION OF SERVICE	CCS shall monitor the provision of medically necessary therapy services for consistency with State CCS policies and procedures.	The SELPA/LEA shall assure the provision of therapy services are consistent with the program guideline standards for Occupational Therapy/Physical Therapy in California Public Schools 1996
	CCS will not provide therapy services that duplicate or conflict with therapy services provided by LEA.	The LEA will not provide therapy services that duplicate or conflict with the CCS Approved Therapy Plan.
	When CCS is unable to provide Occupational and/or Physical Therapy for the medically necessary therapy services identified in the CCS Approved Therapy Plan, the CCS MTP Liaison will notify the parent and LEA Liaison.	The LEA Liaison will notify the IEP team when CCS is unable to provide the medically necessary therapy services identified in the CCS Approved Therapy Plan
	Prior to notifying the parent and LEA, CCS will offer services at another MTU or vendor services through a CCS paneled provider.	
	When the county CCS Program is unable to provide MTU or vendor services, county CCS Program will agree to reimburse the LEA for the provision of therapy services identified in the CCS Approved Therapy Plan and contained in the IEP.	LEA will provide services and bill back to CCS. LEA Liaison will notify MTP Liaison of status of services.

TASK	COUNTY CCS MTP	COUNTY SELPA/LEA
INDIVIDUAL EDUCATION PLAN	CCS therapist shall represent the MTP at IEP meetings when requested to attend and given 10 days prior notice of the IEP meeting.	The Liaison shall provide 10 days notice of IEP team meeting to the MTP staff.
	CCS Therapist(s) will review Therapy Plan with the IEP team, assure non-duplication of MTP services, and identify any new area of MTP service not covered in the Proposed/ Approved CCS Therapy Plan to the MTC physician.	The Liaison shall assist the IEP team, when indicated, in making referrals to CCS for newly identified areas of concern.
		A copy of the IEP that contains the CCS Approved Therapy Plan shall be sent to the MTP staff attending the IEP, by IEP team.

TASK	COUNTY CCS MTP	COUNTY SELPA/LEA
PROBLEM RESOLUTION	The MTP Liaison shall notify and participate if necessary, with the LEA Liaison in local dispute resolution involving the provision of medically necessary therapy services. Problems that cannot be resolved at the local level will be referred to the Southern California Regional Office. Unresolved problems shall be referred to the Chief of the Children Medical Services Branch per Government Code, Section 7585.	The LEA Liaison shall notify and participate if necessary with the MTP Liaison in local dispute resolution involving the provision of medically necessary therapy services. Problems that cannot be resolved at the local level will be referred to the SELPA Director. Unresolved problems shall be referred to Department of Education as per section 56501-56508 of the California Education Code.

TASK	COUNTY CCS MTP	COUNTY SELPA/LEA
TRANSPORTATION	Transportation to therapy site will be requested of LEA via IEP process.	The IEP shall include transportation as a related service, to and from the therapy site during the school day, when the CCS Approved Therapy Plan is included in the IEP.

TASK	COUNTY CCS MTP	COUNTY SELPA/LEA
SPACE AND EQUIPMENT	CCS administration, MTP Liaison and State CCS Therapy Consultant in collaboration with SELPA Director shall determine the need for establishing a primary Medical Therapy Unit in the SELPA.	The SELPA Director in collaboration with the MTP Liaison and State Therapy Consultant shall determine the need for establishing a primary Medical Therapy Unit in the SELPA.
	MTP Liaison and State CCS Therapy Consultant shall identify the need for equipment and supplies necessary for MTP services in the SELPA.	The SELPA(s) shall identify the LEA(s) responsible for the provision of equipment and supplies necessary for MTP services in the SELPA. Each LEA's contribution will be based proportionately on the number of students served from each LEA.
	Those items that are necessary for the MTP case management, medical supplies required for the individual treatment of a MTP eligible child at home and medical supplies required for Medical Therapy Conference shall be provided by the county CCS program.	
	Those items that are necessary for the general provision of medically necessary therapy services shall be provided by the designated LEA. The MTP Liaison will submit an annual list of items to the LEA by Dec. 1 for development of budget for upcoming fiscal year. Each Dec. 1 CCS MTP Liaison is responsible for notifying host LEA of the number of children served by CCS from each LEA.	The host LEA shall develop an annual budget for equipment and supplies necessary for the provision of medically necessary therapy services in the MTU. The budget shall be developed in February of the preceding school year, based upon the Dec. 1 pupil count. For billing purposes the LEA who hosts the MTU may recover administrative cost equal to 25% of students served from a satellite program.

TASK	COUNTY CCS MTP	COUNTY SELPA/LEA
STAFF DEVELOPMENT	The MTP and LEA Liaison will collaborate to plan joint staff development activities for CCS and education staff which may include but are not limited to: Referral Process Participation in IEP Medically Necessary Therapy Services Durable Medical Equipment Other Mutually Beneficial Topics	The LEA and MTP Liaison will collaborate to plan joint staff development activities for CCS and education staff which may include but are not limited to: Referral Process Participation in IEP Medically Necessary Therapy Services Durable Medical Equipment Other Mutually Beneficial Topics

TASK	COUNTY CCS MTP	COUNTY SELPA/LEA
INTERAGENCY DISPUTE RESOLUTION	The MTP Liaison shall notify and participate if necessary, with the LEA Liaison in local dispute resolution involving the provision of medically necessary therapy services. Problems that cannot be resolved at the local level will be referred to the Southern California Regional Office. Unresolved problems shall be referred to the Chief of the Children Medical Services Branch per Government Code, Section 7585. The County of Orange, CCS program will work to resolve local disputes with the SELPA/LEA prior to filing a complaint with either the Secretary of Health and Human Services or the Superintendent of Public Instruction.	The LEA Liaison shall notify and participate if necessary with the MTP Liaison in local dispute resolution involving the provision of medically necessary therapy services. Problems that cannot be resolved at the local level will be referred to the SELPA Director. Unresolved problems shall be referred to Department of Education as per section 56501-56508 of the California Education Code. The SELPA will work to resolve local disputes with the CCS program prior to the LEA filing a complaint with either the Secretary of Health and Human Services or the Superintendent of Public Instruction.

TASK	COUNTY CCS MTP	COUNTY SELPA/LEA
FISCAL RESPONSIBILITIES	The county CCS program will reimburse the LEA for the provision of medically necessary therapy services identified in the IEP that cannot be provided by an authorized CCS therapy provider. The county CCS program will require documentation of the services provided by the LEA therapy provider to assure compliance with the CCS Approved Therapy Plan/IEP. Daily documentation shall include treatment activities, and child's response to treatment in reaching the functional goal. County CCS program shall process the billing for medically necessary therapy services.	The SELPA/LEA will submit a monthly bill to the county CCS program for the portion of medically necessary therapy services, identified in the CCS Approved Therapy Plan and contained in the IEP that cannot be provided by an authorized CCS therapy provider. The LEA will submit, with the bill, signed daily documentation of the medically necessary therapy services provided by the LEA therapy provider in compliance with CCS Approved Therapy Plan/IEP. Documentation shall include treatment activities, and child's response to the treatment in reaching the functional goal. The SELPA/LEA shall submit an application to the Department of Health Services, Children Medical Services, CCS/GHPP for Provider Enrollment. The SELPA/LEA will submit daily documentation of the LEA therapy provider attached to the billing. The billing shall be submitted using the HCFA 1500 and CCS Procedure Codes to the County CCS program.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized officers in the County of Orange, California.

LOCAL EDUCATION AGENCY

By: _____ Dated: _____
SELPA Director

By: _____ Dated: _____
Superintendent
SELPA Administrative Agency

COUNTY OF ORANGE

By: _____ Dated: _____
Cynthia P. Coad
Chair, Board of Supervisors

SIGNED AND CERTIFIED THAT A COPY OF THIS DOCUMENT HAS BEEN DELIVERED TO THE CHAIRMAN OF THE BOARD.

By: _____
Darlene J. Bloom
Clerk of the Board of Supervisors
of Orange County, California

APPROVED AS TO FORM:
Laurence M. Watson
County Counsel

By: Christopher J. Miller
Christopher J. Miller, Deputy

Dated: 6/3/01

APPROVED AS TO FORM:
Ronald D. Wenkart
General Counsel

By: Geraldine Jaffe
Geraldine Jaffe, Counsel

Dated: 9 May 2001

Meeting Notes

Child Welfare System Improvement Partnership Meeting
September 1, 2016
8:30 a.m. - 10:00 a.m.
Orangewood Children's Foundation
1575 E. 17th Street, Santa Ana, CA 92705

Attendees: Anne Bloxom, Trisha Brady, Scott Burdick, Veronica Carpenter, Lilian Chang, Janlus Chou, Denise Churchill, Jane Collier, Amy Crowley, Betsy De Garmoe, Anne Delfosse, Jingle Doan, Elise Froistad, Sid Gardner, Marcy Garfias, Gene Howard, Alicia Lemire, Norean Lubchenko, Jean Martin, Lori Maze, Brandy Miller, Lori Pack, Lawren Ramos, Rita Rangel, Pat Reese, Josie Roemhild, Ken Santini, Jeannie Sue, Gary Taylor, Theriault Todd, Scott Trotter, Ruena Wood, Lisa Workman, and David Zietz.

Meeting Purpose: To evaluate the current system, note strengths and concerns, and act as the oversight body of the System Improvement Plan and other initiatives as directed by the Orange County Social Services Agency.

Welcome and Announcements – Ken Santini
Ken introduced the new Children & Family Services Team Decision Making Manager/SIP Coordinator, Rita Rangel.

Review Minutes / Action Items – All
Minutes encapsulate Continuum of Care Reform (CCR)

SSA Updates – Gary Taylor, Ken Santini, Denise Churchill

- 145 Petitions were filed in August; the highest of the year. Children in care have not gone up significantly, but Petitions have.
- The Child Abuse Registry (CAR) Hotline experienced technical difficulties with the new phone system, Voice Over IP. The glitch has been resolved. However, please notify Children & Family Services (CFS) if there are issues getting through hotline.
- Last year's funding for Resource Family Approval (RFA) recruitment, retention and support was allocated to counties that were early adopters of RFA. In 2017, all counties will be required to implement RFA; therefore, funding has been allocated for recruitment, retention and support. Letters of intention are due today to receive funding. The County of Orange (OC) submitted theirs yesterday.
- This year OC anticipates the funding to be level.
- OC submitted a plan with 11 strategies, which included services and support, special medical, special care increments for certain population (e.g. sibling groups, special medical, teenagers with challenging behaviors), media campaign to recruit families (update website, literature, brochure), staffing activities (e.g. Connect a Counselor Hotline), additional training families for specific needs, and additional training for Commercially Sexually Exploited Children (CSEC) population.
- Gary encouraged membership to the Orange County Foster Care Auxiliary located on 333 S. Brookhurst St. Anaheim, CA 92804. OC bought 300 memberships.

- OC indicated that they gain about 100 families foster per year and lose about 100 families per year, they remain stable. OC was asked how they prioritize funding. Gary stated that CCR is not focused on county foster homes or group homes, all funding and language is pushing everything towards family based care. He is hoping that Foster Family Agencies (FFA)'s will do the heavy lifting in regards to the level of care, special increments, and new rates.
- County Welfare Directors Association of California (CWDA) sent a survey regarding emergency placements and barriers. OC is in the process of responding to survey.
- A collective phone call was conducted with the counties that have shelters like Orangewood. CWDA asked what is impacting emergency placements, what are barriers to placements, what are reasons children are staying longer. CWDA is going to conduct an anonymous survey for county agencies to get real information. It will be a lot of documenting for shelters. They need to report back in 2021. OC hopes to show the value, reason, and how shelters are used.
- Community Care Licensing will be hosting a regional meeting with FFA providers to update them on the process of submitting program statements, plan of operations and implementing RFA. September 19th in Riverside.
- Heroin is becoming a huge issue nationwide. OC is not currently experiencing it, but the rest of the country is having a major heroin epidemic. Meth is the problem in OC. Federal government is working to try to get ahead of the issue. They foresee lots of opiate exposed babies entering the system.
- The federal Families First Prevention Services Act (H.R. 5456) - New York, California, and Texas are holding out. Between the three, there are approximately 1/3 of children in the United States. California has a problem with the candidacy language. California and other states requested to loosen candidacy language. Another concern is the requirement for group homes to have 24 hour on-site nursing staff and the limited amount of time for assessments. If assessment is not complete, AFDC funding will not cover; it will be covered with state and county dollars. Also, funding is not new money. The plan is to redirect funding from Adoption Assistance funds. Legislation to reform the financial structure for child welfare has reportedly passed the House of Representatives, but is blocked by the Senate. There are concerns that some reforms call for no additional funding if preventative measures are unsuccessful and child enters system at a later date.
- Great value seen in OC with stability of leadership. Each leader builds on the work of their former director. Many jurisdictions have had multiple directors in short periods of time.
- The CA Core Practice Model is moving forward, built on assessment, teaming, planning, engagement, and transition.

Continuation of the CCR Group Discussion – Ken Santini

- **Questions from 8/4/16 discussion**
  - Anticipated gaps
  - Services needed
  - Services and support needed

  - How to keep families engaged
  - FFA's
  - Clear understanding of CCR goals
- **Identified Gaps**
  - Substance treatment for parents. We focus on reunification, but what assistance is available for parents dealing with substance abuse issues?
  - Trauma informed parenting classes. As we renew contracts, we are incorporating language and requirements in to contracts.
  - Family finding strategies - working on a Request for Proposal (RFP). The agency is currently working with a couple agencies for this year. Case by case.
- **County of Orange Data**
  - FFAs: OC contracts with 34 FFAs, which equates to 170 FFA homes and 290 children in those homes. About 14 percent of children in care are in FFA.
  - County licensed foster homes: 399 licensed foster homes (not all active); 251 children are placed in foster homes. About 11 percent of children in care are in foster homes.
  - 208 children in group homes including 68 children at OCFC. 49 percent of children in care are placed with relatives.
- OC is working to put a system in place to review program statements and will provide a letter of support to those that are meeting the interim guidelines, but also will be subject to accreditation process. Trying to get the message across that it does not have to be perfect. Template is not currently released, but soon.
- FFA rates should address issues such as school of origin.
- Discussion regarding assessing the child needs and how to maintain child in school of origin.
- Sid asked how many kids will be affected by this. How many are likely to go back home to family of origin? Are their parents going to be able to take care of them? Do we have the resources for kids and families to make them successful?
- In OC, 750-900 kids will be impacted by FFA. OC has 2,100 children in out of home care-300 minor dependents, 50 percent of children with relatives, and eventually about 60 percent get reunified.
- Every child participates in Child Family Team (CFT) meeting. County is required to identify Katie A subclass.
- CFT is composed of child, family members, and community to case plan for the child. Originally out of Katie A., but this has been expanded. Child and Family Team meetings are different from Child and Family Meetings.
- Josie Roemhild requested a detailed list of the kids that need placement and the projections of what they need. Between now and December 31, is the county looking at the specific needs of each of the kids that need placement? What services are currently in place, what will they need to continue, has there been mental health components, and what else do they need?

- Denise stated that there has been multidisciplinary team meeting every week for over a year and the placement team works closely with FFAs to inform them of the details of the kids. The county has clearly been watching the kids and what they need. The county needs more homes for siblings groups, kids with special medical, youth behavior needs, commercially sexually exploited children, etc.
- Treatment effectiveness discussed. The baseline success rate for treatment programs was requested.

CW SIP Annual Report Update – Norean Lubchenko
This item will be discussed at next meeting.

Action Items:
Gary will ask if FFA rate addresses transportation and school of origin.

Next Meeting: November 3, 2016 / Orangewood Children's Foundation / 1575 E. 17th St., Santa Ana, 92705

Meeting Notes	**Child Welfare System Improvement Partnership Meeting** November 3, 2016 8:30 a.m. - 10:00 a.m. Orangewood Children's Foundation 1575 E. 17th Street, Santa Ana, CA 92705

Attendees: Eldon Baber, Anne Bloxom, Robert Brown, Scott Burdick, Janlus Chou, Denise Churchill, Amy Crowley, Kerri Dunkelberger, Kristi Fiskum, Victor Fletes, Elise Froistad, Sid Gardner, Marcy Garfias, Brisia Gutierrez, Gene Howard, Alicia Lemire, Norean Lubchenko, Lori Maze, Brandy Miller, Eula Nelson, Lori Pack, Lee Raina, Lawren Ramos, Rita Rangel, Ken Santini, Pathu Sriphanlop, Jeannie Su, Scott Trotter, Karen Vu, Carol Wiseman, and Lisa Workman.

Meeting Purpose: To evaluate the current system, note strengths and concerns, and act as the oversight body of the System Improvement Plan and other initiatives as directed by the Orange County Social Services Agency.

Welcome and Announcements – Ken Santini

Announced Gary Taylor's retirement. There is a recruitment open nationwide. In the meantime, Nathan Nishimoto will act as Interim Director for SSA Children & Family Services.

Review Minutes / Action Items – All

Requested that revisions to minutes be sent to Jackie Sanchez.

CW SIP Annual Report Update – Norean Lubchenko

- The county submitted annual System Improvement Plan (SIP) Update in spring 2016.
- OC 's SIP goals are focused on permanence for children within 12 months and children in system for extended periods of time.
- The report included the federal government's changes on how outcome measures are calculated and what qualifies for permanence (reunification with families, guardianship and adoption).
- The county has seen re-entry numbers slightly increase.
- CFS is working hard to have children are returned home as quickly as possible, and prevent children from reentry as long as it is safe.
- CFS is implementing a division wide roll out of Safety Organized Practice where the differences between true safety issues for children and complicating factors are carefully reviewed.
- Looking at outcome measures and trying to predict how Continuum of Care Reform (CCR) will impact.
- Continue to focus on placement supports.
- The next State meeting is November 14, 2016.
- Continuing to look at outcome numbers, strategies, how to move forward, adjusting accordingly, and preparing for what to do in 1-2 years.
- There was a question whether the SIP report identified the characteristics of children reentering the system or the services they received. The SIP does not include that information. However, there was a recommendation to bring the Reunification Study to a future meeting to address this.
- Reentry was defined as a child in foster care that returned home and came back 12 months from the day they went home.

CCR Updates – SSA/HCA

Out of Home Placement Needs

1. 2119 children placed out of home
2. 1906 children in home based placements
    a. 205 grandfathered in to Resource Family Approval (RFA)
    b. 1701 RFA Placements
    Assumptions:
        i. Relatives will make up 50% of home-based placements (850)
        ii. FFAs will approve 13% of home-based placements (221)
        iii. 35% of children in group homes (28) will step down to home-based placements and 65% (50) will require Short Term Residential Therapeutic Program (STRTP)
        iv. 15% of children in "Other" placements will need a STRTP (20) and 85% (115) will step down to home-based placements
        v. RFA Recruitment Needs Estimate 773 (approximately 350 (45%) will need to be therapeutic foster homes to serve children with a higher level of need)
3. 213 children in congregate care placements
    a. 78 in group homes
    b. 135 other
        i. Estimating 70 STRTP Placements

- There was a question regarding how many therapeutic foster homes there are. Currently, there is about 10-20 therapeutic foster homes.
- There was a recommendation to look at Los Angeles model in finding families. It was estimated LA found 300 Intensive Treatment Foster Care (ITFC) homes and has maintained at least 100 homes since then.
- Funding was discussed.
  PBS engaged over next three years in providing information to community on foster care. PBS will create material for foster care recruitments. They are starting with foster care language, but are aware they need to use RFA language.

Learning Collaborative Summary

- STRTP Learning Collaborative will take place on Monday, November 7, 2016 at Mission Inn in Riverside. Webinar to follow.
- CCR learning Collaborative on October 11, 2016- all southern counties attended. Counties presented their Implementation Plan for CCR and the State provided updates.

Stakeholder Engagement Workgroup

- Stakeholder Engagement Workgroup is a subcommittee of the Tri-Agency CCR Steering Committee (Health Care Agency, SSA, and Probation). The group has been working towards creating products and time lines to get the message out regarding what CCR is and impact to stakeholders. Looking to do in person presentations and webinars.

Other Updates

Substance Abuse Services

- The WE CAN Coalition Family Treatment Task Force is focused on substance abuse treatment services; what it entails and how effective they are. Dr. Jodi Quas from UCI is doing a survey on parents involved in the dependency system and the treatment they receive. The Family Treatment Task Force will piggy back on that survey. UCI is looking at parents in the dependency system, how they understand the system, how their knowledge affects their response to services, types of services they received, and detailed questions about those services. 200 families will participate. The premise of the survey is that dependency parents may not clearly

understand what is going on. The survey's effort is to figure out if parents understand what is being told to them and how it affects their ability to effectively work through the case plan.

School of Origin

- To be discussed at next meeting.

Visitation

- To be discussed at next meeting.

Gary Taylor's Retirement

- Gary was thanked for his years of service and many accomplishments.

Action Items:
Distribute webinar from STRTP Meeting when available.

Next Meeting: December 1, 2016 / Orangewood Children's Foundation / 1575 E. 17th St., Santa Ana, 92705

3D

Information/Action

Educator Preparation Committee

Update on the Commission's Work Related to the Education Specialist Preliminary Credential and Associated Work Group

Executive Summary: This agenda item provides an update on efforts of a Commission Work Group to improve the preparation of prospective special education teachers.

Policy Question: Does the work as described in this item align with the Commission's expectations? Does the Commission wish to expand the Early Childhood Special Education Credential (ECSE) from Birth to Pre-K to Birth to K?

Recommended Action: Staff seeks feedback on the work to date and the direction that the group is taking. Staff recommends approving the expansion of the ECSE credential to Birth to K.

Presenters: William Hatrick and Sarah Solari Colombini, Consultants, Professional Services Division

Strategic Plan Goal

II. Program Quality and Accountability

a) Develop and maintain rigorous, meaningful, and relevant standards that drive program quality and effectiveness for the preparation of the education workforce and are responsive to the needs of California's diverse student population.

Update on the Commission's Work Related to the Education Specialist Preliminary Credential and Associated Work Group

Introduction

This agenda item presents information about the continuing work to improve educator preparation for special education teachers and asks the Commission to provide feedback on the work to date.

Background

The Commission on Teacher Credentialing has participated in several initiatives within the past two years to improve the preparation of educators serving students with disabilities. Recent policy decisions include the adoption of revised Teaching Performance Expectations (TPEs) that will significantly strengthen the preparation for general education teachers working with students with disabilities. The Commission has not adopted these TPEs for Education Specialists; however, the Commission did signal its intent to have these performance expectations serve as a common core of preparation for candidates, also called the common trunk in general and special education preparation, and to potentially require prospective special education teachers to pass a Teaching Performance Assessment (TPA) in the future. Although the TPEs define the foundational knowledge, skills and abilities a teacher should have, it is necessary to identify what additional knowledge, skills and abilities beyond the TPEs are needed for a candidate to earn an Education Specialist teaching credential in California.

Status of Current Work

The Education Specialist Preliminary Credential Work Group is charged with the following tasks:

1. To identify the knowledge, skills, and abilities needed by teachers seeking an initial education specialist credential.
2. To develop some possible credential structures for the initial level Education Specialist Credential(s).
3. To recommend what the subject matter requirement should be for Education Specialist candidates given that the credential authorizes teaching for a wide range of grades and all content areas.

A complete list of work group participants and their affiliations is available in Appendix A.

The work group began meeting in October and has had two meetings thus far. Two additional meetings are planned for January and February 2017.

A summary of the first work group meeting was shared at the October 2016 Commission meeting (Agenda Item 2G).

Summary of Second Work Group

The second work group meeting was held on November 3-4, 2016 at the Commission office. Twenty-nine of thirty participants were present and work began with a brief summary of the first meeting's activities and discussion. The work group was given an overview of the October Commission meeting agenda item and feedback received from Commissioners and members of the public. To help facilitate an understanding of the complexities of the existing Education Specialist credential structure in terms of Education Code and the California Code of Regulations, staff from the Certification Unit met with the group to answer questions regarding the impact of potential changes to the current credential structure.

At the request of several work group members, staff provided more information on the Language and Academic Development (LAD) credential. In contrast to the other six preliminary Education Specialist credentials, the LAD credential is cross-categorical in that it allows teachers to serve students with disabilities across all federal disability areas who have specific needs in academic communication and language. A chart showing other states' credential structures and added authorizations was also provided to the group for reference (see Appendix B).

At this second meeting, the group was focused on two major tasks: 1) developing one or more credential structures to recommend to the Commission and 2) considering the appropriate subject matter competence needed for Special Education teachers. The work group agreed on the following ideas related to the future credential structure for special education teachers:

- The adopted Teaching Performance Expectations (TPEs) are foundational and define what both prospective general education and special education teachers must know and be able to do to support students' academic success.

- There should be a set of core expectations for all special education teachers that go beyond the general education TPEs and are specific to the knowledge, skills, and abilities needed to successfully serve students with disabilities. These would be developed as the Special Education TPEs and the work group will focus on this task at the January 2017 meeting.

The group supports maintaining specific credentials for Early Childhood Special Education (ECSE), Deaf and Hard of Hearing (DHH), and Visual Impairment (VI). Further discussion is needed to determine whether these remain initial credentials or advanced areas of specialization. The DHH and VI credentials should continue to authorize service for students ages birth – 22. Members emphasized that the discussion and outcomes need to stay focused on what is best for students with disabilities and requested that staff provide enough time for rich discussion and analysis on this topic.

Early Childhood Special Education

As stated above, the work group expressed support for maintaining the Early Childhood Special Education credential but had significant conversation about which students ECSE teachers should be authorized to teach. Currently this credential authorizes the individual to provide services to children ages birth to pre-kindergarten only. Members of the work group noted that

ECSE teachers are currently authorized to teach 4 year olds with disabilities and have been doing so successfully for many years, however they are not currently authorized to teach transitional kindergarten. Given the growth in TK classrooms in recent years, the question was raised about whether the authorization should allow ECSE teachers to teach TK. The work group reached consensus on this issue and recommends expanding ECSE to include TK and kindergarten. The proposed expansion would allow teachers to work with students in transitional kindergarten (TK) and kindergarten classes.

In considering a possible expansion of ECSE to TK and kindergarten, the work group also discussed the differences in examination requirements for ECSE teachers and those who teach TK and kindergarten. Currently prospective ECSE teachers are required to satisfy basic skills but are not required to demonstrate subject matter competence or pass the Reading Instruction Competency Assessment (RICA). No consensus regarding what would constitute appropriate subject matter competence for the ECSE credential was reached however, there was discussion. In addition to satisfying basic skills, the group discussed the possibility of requiring ECSE candidates to pass the Reading Instruction Competence Assessment (RICA). The rationale discussed at the meeting focused on the idea that the basic skills examination assesses reading, writing, and mathematics through eighth grade and the ECSE candidates would only be authorized to teach up to Kindergarten. The group agreed that the RICA examination would be a reasonable requirement because supporting literacy is a key component of what a teacher working with children from birth through kindergarten needs. At this time, Education Code section §44283.2(b) specifically exempts individuals seeking an ECSE credential from being required to take and pass the RICA examination and, therefore, legislative change would be necessary to change this requirement.

Student Needs Rather than Federal Disability Categories/Grade Levels Authorized

The current credential structure is aligned to the federal disability categories. To better meet the needs of K-12 students with disabilities, the work group recommends that the education specialist credential authorizations focus on student needs and the levels of service needed rather than federal disability categories. Participants also agreed that the credential structure should reflect grade level bands for high incidence areas.

General Education Authorization

Lastly, the group felt that if a prospective special education teacher has completed preparation in the common trunk and passes a required performance assessment, that teacher should receive the appropriate authorization to work with general education students based on their preparation. The group has still not come to consensus regarding exactly how much of the general education preparation a prospective special education teacher should complete. If the prospective special education teacher completes all of the general education preparation, then of course the teacher should have a full general education authorization. But if on the other hand, the prospective special education teacher completes a subset of the general education preparation, the special education teacher would likely have a more limited general education authorization.

Considerations Regarding Credential Structure

The group did not reach consensus on any one model to recommend to the Commission. However the group took three distinct approaches to conceptualizing the preliminary Education Specialist credential structure. All of the approaches shared the TPEs as the base of knowledge with an additional common set of special education TPEs to be identified at future meetings of the work group as the core of an Education Specialist preparation program.

- The first concept is an initial special education credential that would authorize service to elementary and secondary students with disabilities (K – 22). Teachers could then specialize in ECSE, DHH, VI, case management, or working with students with the most intensive needs during their program.

- The second approach is similar, but the base credential would be segmented by grade bands such as Early Childhood (birth – K), grades K – 8, and grade 6 – age 22. Then teachers could go on to specialize in the additional areas mentioned above.

- The third approach has five initial credentials all of which share the general education and special education TPEs as common preparation. The five initial credential areas would include elementary (grades K – 8), secondary (grade 6 – age 22), ECSE, DHH, and VI. All candidates would have coursework that would focus on teaching students with intensive learning needs and disabilities incorporated into their programs.

Although the work group has begun to develop some possibilities, they are still intent on developing recommendations that would reflect a needs-based credential system, therefore they have requested more time for discussion at their remaining meetings.

Staff seeks Commission feedback on the issues in front of the workgroup and invites direction regarding any questions, issues or recommendations to take back to the group to inform their work.

Staff Recommendation

Staff recommends 1) that the Commission expand the authorization for the Early Childhood Special Education Credential to include birth to kindergarten, and 2) that the Commission work with the legislature to require all ECSE candidates to pass the RICA examination.

Next Steps

If the Commission approves the expansion of the authorization of the ESCE credential to Kindergarten the Commission could begin the regulatory process. In addition, if the Commission determines that all ECSE candidates should be subject to the RICA examination, the Commission would need to seek to change current Education Code section §44283.2(b) before this requirement could be put into place. If the Commission determines that the expansion of the credential should not take place unless or until the RICA examination is required for ECSE, then the legislative change should be sought before moving ahead with regulatory change.

Staff will continue to update the Commission on outcomes from the work group activities with respect to the additional knowledge, skills and abilities necessary to become a special education teacher and identified changes recommended to the Education Specialist credential structure.

Appendix A
Preliminary Special Education Work Group

Name	Affiliation	Current Position
Representatives to the Work Group		
Mary Briggs	California School Boards Association Liaison	Education Policy Analyst
Mary Gomes	Association of California School Administrators Liaison	Educational Services Executive
Cheryl Mohr	California County Superintendents Educational Services Association Liaison, Madera County Office of Education	Executive Director, Student Programs and Services
Emily Solari	University of California Liaison, UC Davis	Associate Professor of Education
Kristin Stout	California State University Liaison, CSU Long Beach	Education Specialist Credential Program Coordinator
Ingrid Gunnell	California Federation of Teachers Liaison, Los Angeles Unified School District	UTLA/LAUSD Salary Point Advisor
Stephanie Stotelmeyer	California Teachers Association Liaison, Santa Ana Unified School District	Education Specialist, Resource
Diana Taylor	Association of Independent California Colleges and Universities Liaison, Mt. St. Mary's University	Education Specialist Program Director
Aaron Christensen	California Department of Education Liaison	Education Programs Consultant
Work Group Members		
Suzanne Borgese	Placentia Yorba Linda Unified School District	Education Specialist, Mild/Moderate
Jessica Burrone	Yuba County Office of Education	Special Education Principal, Moderate/Severe
Cathy Creasia	University of Southern California	Credential Analyst and Project Specialist for Accreditation and Evaluation
Anne Delfosse	West Orange County Consortium for Special Education	Executive Director
John Erratt	Orange Unified School District	Special Education Program Coordinator
Elizabeth Freer	Etiwanda School District	Director of Special Education
Jean Gonsier-Gerdin	California State University, Sacramento	Professor
Victoria Graf	Loyola Marymount University	Professor of Education
Elizabeth Jara	San Joaquin County Office of Education	Education Specialist, Emotional Disturbance
Talya Kemper	California State University, Chico	Assistant Professor, Special Education
Meghan Magee	Mother Lode Union School District	School Psychologist
Elise Morgan	San Diego Unified School District	Education Specialist, Mild/Moderate
Susan Porter	National University	Associate Professor/Chair, Special Education
Diana Sanchez	Los Angeles Unified School District	Teacher of the Deaf
Zachary Smith	Sanger Unified School District	Project Manager, Universal Design for Learning and Special Education
Michael Solis	University of California, Riverside	Assistant Professor, Special Education
Sally Spencer	California State University, Northridge	Professor, Special Education
Deanna Torrington	Rocklin Unified School District	Education Specialist, Resource
Julie Tucker	South San Francisco Unified School District	Induction Special Education Support Provider
Mary Yung	San Mateo County Office of Education	Coordinator, Special Education Teacher Induction
Andrea Zetlin	California State University, Los Angeles	Professor, Special Education

Appendix B

Special Education Teaching Credential Structures in Other States

State	Initial Teaching Credential		Additional Authorizations*
	Developmental or Broad Grade Levels	Low Incidence Areas	
Colorado	Special Education Generalist (ages 5-21) Special Education Specialist (ages 5-21)* Early Childhood Special Education (Birth-age 8) Early Childhood Special Education Specialist (Birth-age 8)	Deaf and Hard of Hearing (Birth-age 21) Visually Impaired (Birth-age 21)	N/A
Connecticut	Integrated Early Childhood/Special Education (Birth-K) Integrated Early Childhood/Special Education (Nursery-K-Elementary 1-3) Comprehensive Special Education (K-12)	Blind (PK-12) Partially Sighted (PK-12) Hearing Impaired (PK-12)	N/A
Florida	Exceptional Student Education (K-12)	Hearing Impaired (K-12) Visually Impaired (K-12)	Autism Spectrum Disorders Orientation and Mobility Prekindergarten Disabilities Severe or Profound Disabilities
Illinois	Special Education Learning Behavior Specialist (PK-age 21)	Blind or Visually Impaired (PK-age 21) Deaf and Hard of Hearing (PK-age 21)	Curriculum Adaptation Multiple Disabilities Behavior Intervention Deaf-Blind Bilingual Special Education Technology Transition
Kansas	High-Incidence Special Education: Early childhood (Birth-K, Birth-grade 3, or PK-grade 3) Early childhood through late childhood (K-grade 6) Late childhood through early adolescence (grades 5-8) Early childhood through late adolescence and adulthood (grades PK-12) Early adolescence through late adolescence and adulthood (grades 6-12)	Deaf and Hard of Hearing Visually Impaired Low-Incidence Special Education	N/A
Massachusetts	Early Childhood: Students with and without Disabilities (grades PK-2) Moderate Disabilities (grades PK-8) Moderate Disabilities (grades 5-12)	Severe Disabilities (all grades) Deaf and Hard of Hearing (all grades) Visually Impaired (all grades)	N/A
New York	Students with Disabilities (Birth-grade 2)	Blind and Visually Impaired (all	N/A

Appendix B

Special Education Teaching Credential Structures in Other States

State	Initial Teaching Credential		Additional Authorizations*
	Developmental or Broad Grade Levels	Low Incidence Areas	
	Students with Disabilities (grades 1-6) Students with Disabilities (grades 7-12)	grades) Deaf and Hard of Hearing (all grades)	
Pennsylvania	Special Education (grades PK-8) Special Education (grades 7-12)	Hearing Impaired (PK-12) Visually Impaired (PK-12)	Autism Spectrum Disorders
Rhode Island	Early Childhood Special Education (Birth-grade 2) Elementary Special Education-Mild/Moderate (grades 1-6)* Middle Grades Special Education-Mild/Moderate (grades 5-8)* Secondary Grades Special Education-Mild/Moderate (grades 7-12)*	Blind/Visually Impaired (PK-12) Deaf and Hard of Hearing (PK-12) Severe Intellectual Disability (PK-12)	N/A
Texas	Special Education (Early Childhood-12)	Deaf and Hard of Hearing (EC-12) Visually Impaired (EC-12)	N/A
Washington	Early Childhood Special Education Special Education	Deaf Education* Visually Impaired Education*	N/A
California	Mild to Moderate Disabilities/MM (K-age 22) Moderate to Severe Disabilities/MS (K-age 22) Early Childhood Special Education/ECSE (Birth-PK) Language and Academic Development/LAD (Preschool-age 22)	Deaf and Hard of Hearing (Birth-age 22) Visual Impairments (Birth-age 22) Physical and Health Impairments (Birth-age 22)	Autism Spectrum Disorders Deaf-Blind Emotional Disturbance Orthopedic Impairment Other Health Impairment Traumatic Brain Injury Early Childhood Special Education Resource Specialist Adapted Physical Education

*Denotes a prerequisite credential is required to obtain a license in this area.

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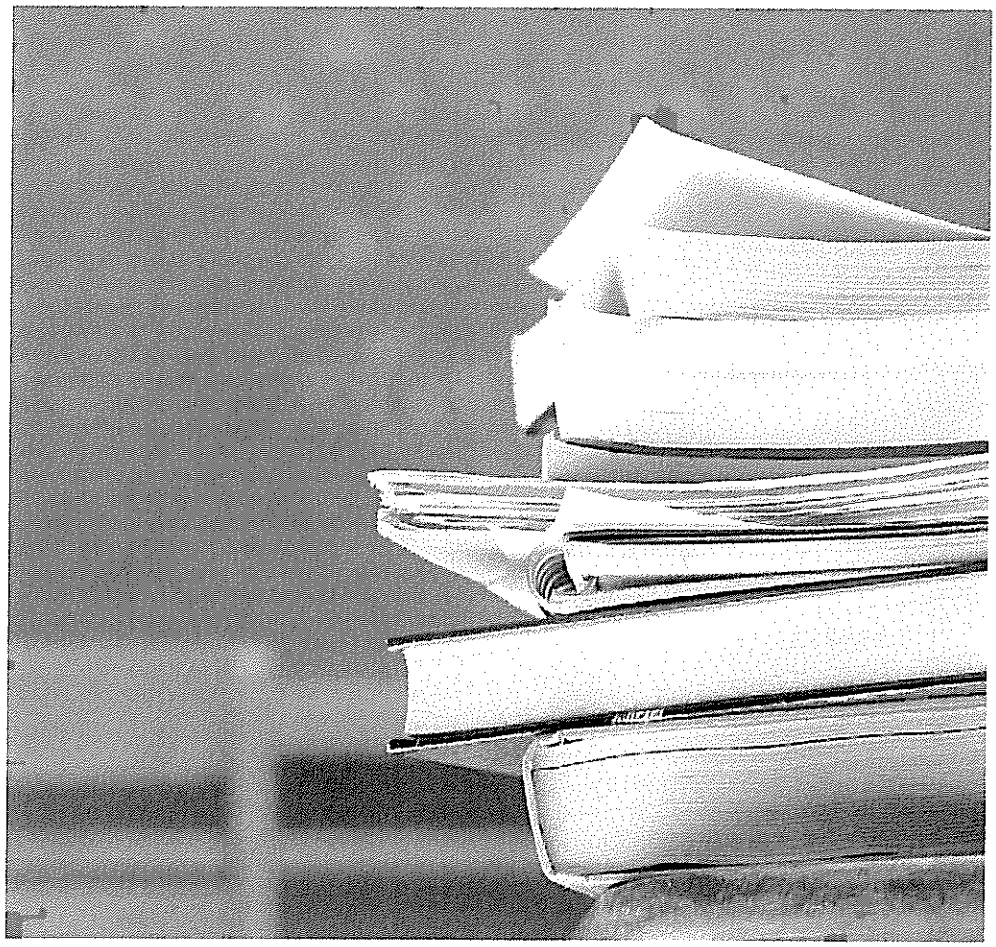
Special Education Finance in California



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Technical appendices to this paper are available on the PPIC website.

California's system of special education served about 718,000 students in 2014–15, or about 11.5 percent of the K–12 population. It is expensive, consuming some $12 billion in federal, state, and local dollars annually. And special education operates within a legal framework that sets it apart from the rest of the K–12 system.

The state's enactment of the Local Control Funding Formula (LCFF) in 2013 consolidated most state categorical programs into district base grants in order to move decision making to the local level. However, special education was preserved as California's largest remaining categorical grant operating mostly outside the LCFF governance framework.

This report examines California's special education finance system in light of the principles that underlie LCFF—local control and accountability, transparency, and equity. It also draws on the findings of the 2015 Statewide Special Education Task Force report, which makes several recommendations to improve California's system. The task force envisioned a unified system in which general and special education are part of a seamless program of student services.

California's main program for financing special education, AB 602, was developed nearly two decades ago. We find several positive elements in AB 602. Most importantly, because it distributes funds based on census counts of all students, not counts of students with special needs, it avoids creating financial incentives to identify students for special education services. In other respects though, AB 602 falls short:

- It funds local programs at widely different rates.
- The overall funding level has not kept pace with rising numbers of students with disabilities or the growing share of high-cost disabilities.
- Distributing AB 602 funds through Special Education Local Planning Areas (SELPAs) runs counter to LCFF principles of transparency, local control, and accountability.

In order to align California special education with the principles of LCFF and move towards a more seamless system of K–12 education, we recommend:

- Funding districts directly including special education funding as part of a district's LCFF allocation.
- Preserving AB 602's census count method of distributing special education dollars, but developing ways to make funding more equal on a per-student basis. A plan to equalize funding across districts would result in an additional $670 million every year in special education spending. This would partly address rising special education caseloads and the increased incidence of severe disabilities that has occurred over the past decade.

- Developing new ways to protect small districts and charter schools from extraordinary special education costs by encouraging pooling arrangements or insurance programs.
- Better support for local infant and preschool special education programs, ensuring that the needs of young children with disabilities are served.

We believe these changes would help achieve the Task Force's vision of providing special education services as part of a coordinated set of student supports. In addition, our recommendations will take fuller advantage of LCFF's principles of accountability and local control.

Introduction

Special education in California is designed to improve schooling for the nearly 12 percent of students in the state with special needs. Two major questions are raised by the way special education is organized and financed in the state: Could special education funding be better aligned with (1) the principles of local control and accountability laid out in the Local Control Funding Formula (LCFF), California's system for financing schools, and (2) the ideal of seamless integration of special and general education called for by California's 2015 Statewide Special Education Task Force?

California special education operates in a unique legal framework. Federal law requires districts to meet the needs of each student with disabilities, including physical, mental, emotional, and processing disorders. California's schools and districts spent over $12 billion on special education services in the 2014–15 school year, supported by the state's largest remaining K–12 categorical funding program. In 2014–15, the state appropriated $3.2 billion in General Fund support for special education. Federal funds supplied an additional $1.2 billion, with the remaining $7.6 billion coming from local contributions, according to the California Department of Education. State funding is categorical because it requires districts and county offices to spend the money only on the services identified in the Individualized Education Programs (IEPs) of students with special needs.

The state funds special education services through Special Education Local Planning Areas (SELPAs). SELPAs coordinate local services and allocates funding to programs and districts. The state's 133 SELPAS include some that operate in a single district and others that serve multiple districts. School districts are responsible for identifying students needing services, developing IEPs, and determining the settings in which students are educated.

LCFF's enactment in 2013 inaugurated a different approach to K–12 governance in California, emphasizing local decision making. To foster greater local control, LCFF consolidated most state categorical programs into district base grants. The act also sought to promote greater accountability over spending and student performance. However, special education remained apart from the LCFF and largely outside its governance structure.

As LCFF was drafted, California's State Board of Education formed a task force to make recommendations about how to help schools improve results for special education students. The Statewide Special Education Task Force report, published in 2015, called for additional funding, a stronger emphasis on early intervention, improved teacher training, and research-based approaches to education. The need to integrate special education with the rest of the K–12 program was a recurring theme. The report found "that significant barriers to school success for students with disabilities have grown out of [the] unfortunate evolution of two separate 'educations.'"[1] The task force envisioned a "unified" system, where general and special education would be part of a "seamless" system of student support (Statewide Special Education Task Force 2015).

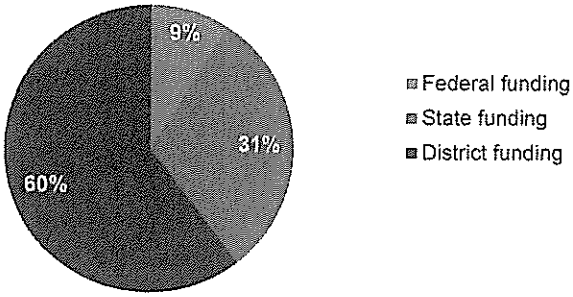
LCFF's underlying objectives and the issues raised by the task force provide an important starting point for examining whether California's system of special education financing provides adequate funding and distributes funds appropriately. To explore these questions, this report is divided into several sections: (1) how California's special education funding system is structured; (2) how well California special education funding aligns with the distribution of students with disabilities; (3) how California's system of funding special education through SELPAs affects program quality and accountability; (4) how other states organize and finance special education; (5) recommendations for how California can improve special education organization and funding.

[1] California's Statewide Task Force on Special Education. 2015. One System: Reforming Education to Serve All Students, p 8.

Special Education Funding in California

Special education funding is meant to pay the additional costs of serving students with disabilities. The California Legislative Analyst's Office estimates that educating students with disabilities costs on average more than twice as much as educating general education students (LAO 2013). Three main sources finance California special education services: the federal government provides 9 percent, the state 29 percent,[2] and local school districts 62 percent of total funding.

FIGURE 1
Most special education funding comes from local contributions



Sources: Authors' calculations from CDE special education finance data, 2014–15

Notes: Shares are based on total state funding by source. California state special schools, CHELPAs, and the Los Angeles Court Schools SELPA are excluded.

Virtually all state funding is delivered through four formulas, shown in Table 1. AB 602, California's main program for financing special education, distributes 80 percent of state special education funds. Its funding formula is based on a count of all enrolled K–12 students in each SELPA, not on the number of students with disabilities.[3] This method is referred to as a census count, or average daily attendance (ADA) count.

TABLE 1
AB 602 distributes most state special education funding

	2014–15 amount (in millions)	Formula	Restrictions
AB 602	$2,587	Census	Special Education costs
Mental health	357	Census	Mental health costs of special education students
Out-of-home care	146	Local capacity of licensed community institutions	Special education costs
Infant programs	71	Units	Special education services for infants
Other	64		
Total	$3,225		

SOURCES: Data from 2014–15, California Department of Education.

NOTE: Census refers to a complete count of all student attendance in grades K–12.

[2] About 3% of state funding is offset by deductions from county office of education property tax revenues, an amount considered a state obligation in Figures 2 and 3.
[3] AB 602 refers to the legislation that created the formula, enacted in 1996.

The census formula was designed to allow flexible service delivery and avoid giving districts a monetary incentive for identifying students as having disabilities. Concerns that the previous funding formula created incentives to identify students with special needs[4] and placed special education students in unnecessarily restrictive and expensive settings led to the enactment of AB 602. Federal law requires students with special needs to be educated in the least restrictive environment possible.[5]

The AB 602 formula was based on the conclusion that funding SELPAs using ADA, though imperfect, was the best option. This conclusion reflected the fact that educators have significant latitude in identifying students with special needs (Legislative Analyst's Office et al 1995). It might seem that AB 602 creates a disincentive to identify students with special needs since funding does not rise as the number of students with disabilities or the cost of serving them increases. However, districts are legally obligated to identify children with special needs, and spend AB 602 funds solely on the educational needs of students with disabilities. Since most districts spend much more on special education than the funds they get from the state and federal governments, it is not clear that the fixed funding levels plays a major role in local program decisions. The sizable local share of costs, however, give them incentives to serve students with special needs efficiently.

Three other California programs fund special education:

- **Mental health funds.** In 2011, California transferred responsibility for identifying and providing mental health services to students with disabilities from county mental health agencies to school districts. This funding, which must be used only for mental health needs of students with IEPs, is also based on census data.
- **Out-of-home care.** This program adjusts the AB 602 formula to account for facilities like group homes and foster family homes. In general, SELPA allocations are based on the number, type, and size of such facilities in their districts. Funds may be spent for any special education purpose.
- **Infant programs.** This program is based on the number of infants served and their educational settings. Infants are defined as children with identified disabilities under age 3.

How well have state funding programs worked?

California's four major programs for funding special education have been in place for at least a decade, but each has issues that should be addressed.[6]

AB 602 funding has not kept up with numbers of cases

Over the past 10 years, AB 602 funding has not kept pace with the growth and change in the population of students with disabilities:

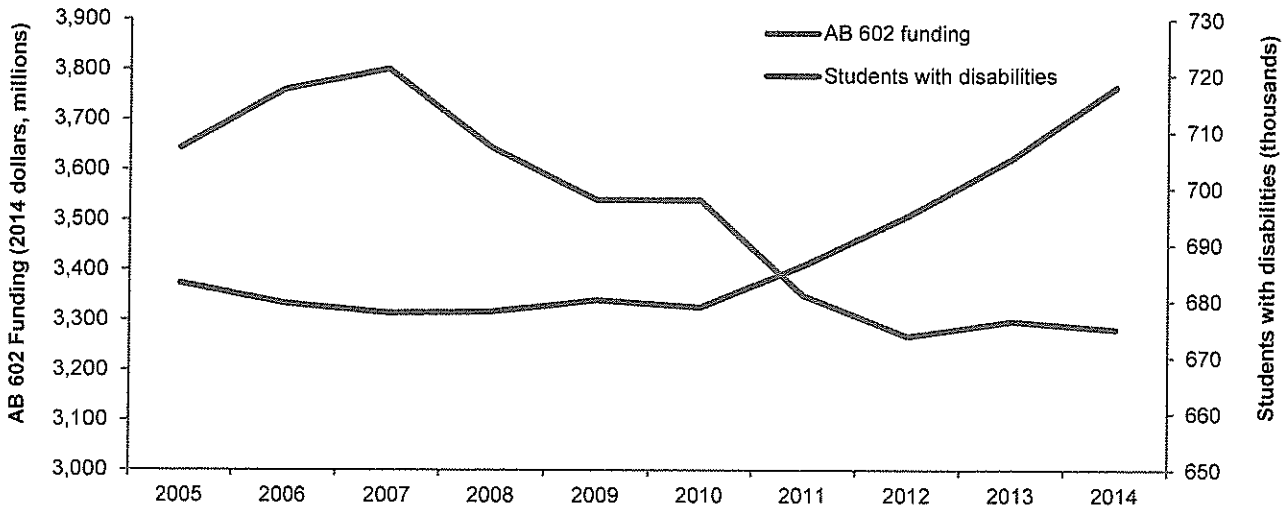
- The number of students with IEPs and their share of the school population began to increase in 2010 after many years of being relatively flat. At the same time, overall K–12 student attendance, which drives funding, did not rise. As a consequence, total state funding for students with special needs has fallen in both nominal and constant dollars. Figure 1 shows that inflation-adjusted AB 602 funding dropped from a peak of $3.8 billion in 2007 to $3.2 billion in 2014. On a per-student basis, special education funding fell from $4,900 in 2007–08 to $4,478 in inflation-adjusted dollars (see Technical Appendix Figure A.2).

[4] More recent research finds that this still is an issue in states that fund special education based on counts of students with disabilities rather than ADA. For example, Morrill (2016) finds states that pay districts based on the number of students with special needs have higher rates of attention deficit hyperactivity disorder (ADHD) than states that do not. The author argues that ADHD diagnoses are influenced by schools and relatively inexpensive to treat.

[5] Least restrictive environment means that student with special needs should receive as much of their education as appropriate with the general student population.

[6] See Technical Appendix A for additional analysis of these programs.

FIGURE 2
Inflation-adjusted state special education funding has decreased while number of students with disabilities has increased



SOURCE: CDE CASEMIS and AB 602 funding, including state property tax used in AB 602 funding distribution calculations and the Out-of-home care program.

NOTE: Includes ages 3–22.

- The mix of disabilities has changed substantially, increasing local special education costs. Over the past decade, the number of students with relatively low-cost disabilities has fallen while the number with more expensive disabilities has risen. Autism offers an example. California's 1.3 percent autism rate among K–12 students in 2012–13 was higher than the 1 percent national rate. Autism is increasing faster in California than in the rest of the United States. From 2001–02 to 2013–14, California's autism caseload increased 5.4 times, while cases in the rest of nation increased 4.2 times. (NCES 2016 and Kids Data 2015). At both the state and national level, rising autism has been accompanied by shifts away from intellectual disability and specific learning disability diagnoses (CASEMIS data and Zablotsky et al 2015).

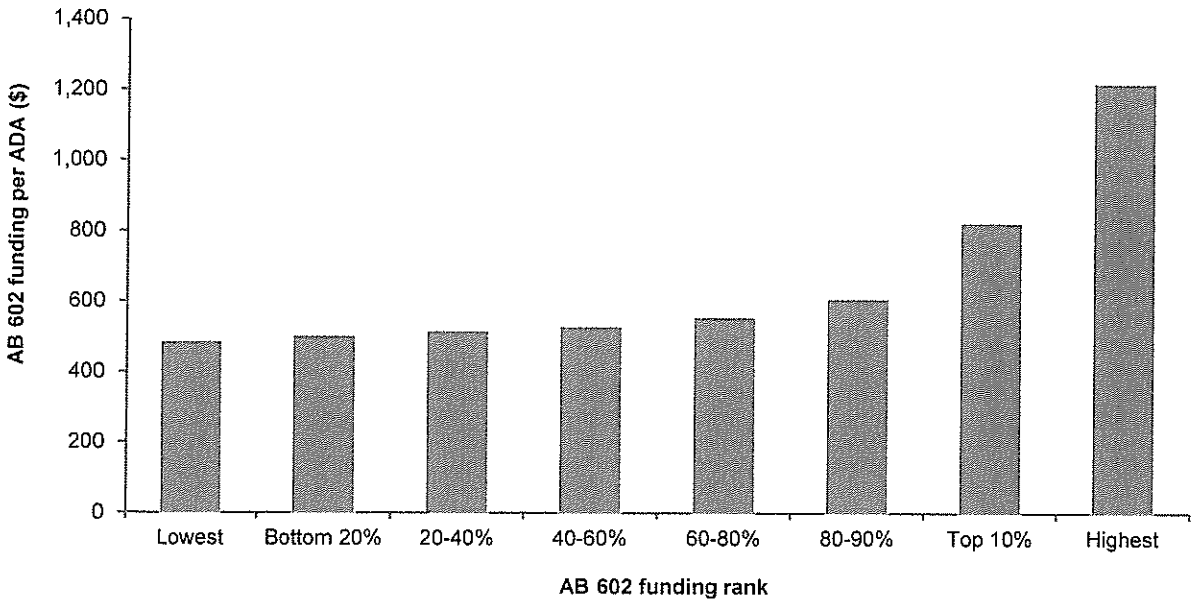
We estimate special education costs increased $1.1 billion between 2006–07 and 2015–16 based on national data on the average cost of educating students by type of disability.[7] Our estimate reflects both the overall increase in the number of students with disabilities and the trend towards more expensive disabilities. However, this estimate should be viewed with caution since disability costs are based on 1999–2000 spending (Augenblick, Palaich and Associates 2011). In addition, it is not clear how well the national data reflect the cost of serving California students. Despite these qualifications, AB 602 funding has clearly not kept up with the escalating demands on districts.

Funding is not equal

The state never achieved its goal of equalizing special funding rates, and wide differences in SELPA rates exist. Originally, AB 602 grants combined California and federal special education funds in a single allocation. The state tried to narrow the differences in SELPA funding rates. However, the state never succeeded in funding SELPAs equally on an ADA basis. In the early 2000s, the federal government required California to separate state and federal funds, which led to the current situation. Figure 2 shows SELPA variation in per-pupil AB 602 funding in 2014–15.

[7] This calculation is explained in Technical Appendix A.

FIGURE 3
The top fifth of SELPAs by per-pupil funding receive 40 percent more funding that the bottom fifth



SOURCE: CDE CASEMIS and AB 602 funding data, 2014–15.
NOTES: AB 602 funding including out-of-home care and state property tax. The Los Angeles Court School SELPA is excluded.

The highest-funded SELPA received more than twice as much AB 602 funding per pupil as the lowest-funded one, and the top tenth of SELPAs receives $289 more per pupil than the bottom 90 percent, a difference of more than 50 percent.

AB 602 funds are like base funding for special education

Many special education educators point out that school district contributions to special education have increased significantly while AB 602 funds have not grown at the same rate as LCFF funding. Full funding of LCFF has been the state's priority since 2013. Since then, per-pupil allocations for LCFF's base, supplemental, and concentration funds[8] have posted large increases. By contrast, AB 602 special education funding has stayed relatively constant primarily for two reasons: (1) cost-of-living adjustments have been small because the inflation rate is low, and (2) overall ADA has declined slightly.

Educators we interviewed felt the disparity between LCFF and AB 602 created problems at the local level. For instance, significant increases in per-pupil LCFF funding prompts both special education and other teachers to expect salary increases. But flat special education funding means districts pay for increases in special education compensation out of LCFF funds. This creates the impression that local special education costs are out of control—especially if other special education costs are rising.

State and federal laws impose largely nonnegotiable special education mandates on districts. For this reason, AB 602 was intended to treat special education costs like other LCFF base costs. By dedicating most of California's new K–12 funds to LCFF, the state is failing to recognize the interaction between increases in LCFF and special education costs at the local level. Thus, the system needs to find a way to link special education financing with

[8] Base grants are the same by grade level of pupil. Supplemental grants are an additional 20% per unduplicated English Leaner, economically disadvantaged, or foster youth student. Concentration grants are an additional 50% for each unduplicated student over 55% of a school district's population.

other school funding. One way to do that is to tie special education funding to the LCFF so that when base, supplemental, and concentration dollars go up, special education funding rises as well.

Other state formulas raise issues

While the three other principal state special education funding formulas appropriate far fewer dollars than AB 602, they play an important role in helping districts pay for services. These programs also need attention.

Mental health funds are provided separately. These funds may only be used to pay for mental health services for students with IEPs, a requirement that made sense when program responsibilities were transferred from county mental health services agencies to school districts. This restriction should now be reassessed. The categorical nature of mental health funds runs counter to the LCFF principle of local control. This is especially important as the funds are allocated using the same census formula as AB 602, but it is unclear whether that genuinely reflects local need for mental health services. Plus, this is the only category of special education services the state funds separately. Many special education administrators argue the program unnecessarily restricts their ability to use the funds most efficiently.

The Out-of-Home Care formula is threatened by other program changes. Changes in the licensing of residential foster care facilities by California's Department of Social Services may force the state to modify or eliminate the Out-of-Home Care formula. A new state law is attempting to phase out these institutions. In the meantime, the law has eliminated classifications the Out-of-Home Care formula uses to distribute funds. During our review, we found that the formula distributes more funding than can be justified by the number of students living in these licensed community institutions. In the long run, changes in the foster care system will determine whether the Out-of-Home Care formula remains necessary.

Infant and preschool funding formulas have problems. Federal law requires districts to provide special education services to children under age five. The Statewide Special Education Task Force called for more emphasis on early services to children and for better-funded infant and preschool programs because they provide long-term benefits to children with disabilities. However, infant funds are not available to all districts and allocations are based on an outdated formula. For preschool, districts receive no base funding for three-to-four year olds. As a result, when pre-Kindergarten caseloads rise faster than K–12 ADA, as they did over the past decade, special education costs grow quickly. The state needs to consider how to support these programs and ensure that all eligible students receive services.

The state special education funding formulas are designed to avoid over- or misidentification of students with special needs. However, the categorical nature of the funds makes it difficult for districts and SELPAs to spend the money flexibly and makes integrating special needs and general education students more challenging. Moreover, funding is not distributed equally to SELPAs, despite the intent of AB 602. These issues raise questions of whether California's system for funding special education is properly aligned with LCFF principles.

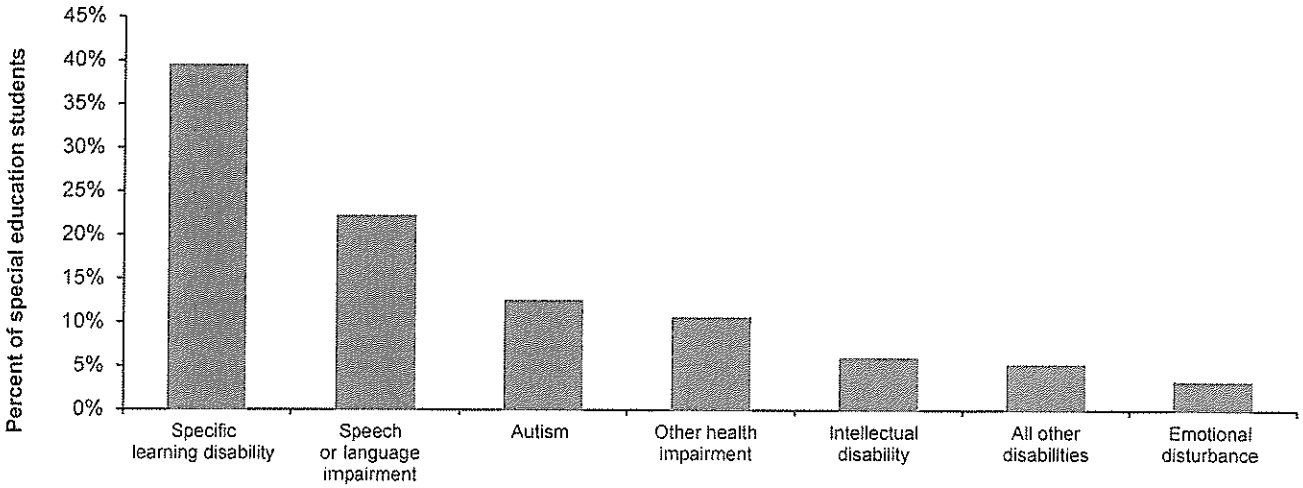
Special Education Funding and the Distribution of Students with Disabilities

Federal law grants students with disabilities a right to educational services. Districts identify students with disabilities, evaluate whether those disabilities interfere with each student's education, and create an Individualized Education Program that spells out services to be provided. Students and parents can appeal district

decisions through a state hearing process or, ultimately, in court. This entitlement to services strongly shapes the size, scope, and cost of special education.

In 2014–15, special education served some 718,000 California students, including 54,000 infant and preschool-age students with special needs and 14,500 students over 18 but under 22.[9] About 11.5 percent of K–12 students received special education services. Disabilities are classified in 13 categories. Figure 4 shows the share of students with special needs in the largest categories. The most common is specific learning disability,[10] followed by speech and language impairment. These account for more than 60 percent of special education students. Other disabilities affect relatively few students. For instance, emotional disturbance accounts for about 3.4 percent of special education students, or 24,000 students statewide.[11]

FIGURE 4
Two disability categories represent more than half of California students with special needs



SOURCE: California Department of Education, special education enrollment, 2014–15.

NOTES: Other disabilities include orthopedic impairment, hard of hearing, multiple disability, visual impairment, deafness, traumatic brain injury, established medical disability, and deaf-blindness.

The AB 602 formula, based on the total number of K–12 students, assumes that all SELPAs face roughly the same challenges. The actual distribution of students with special needs shows that is not the case. Here we look at the distribution in three ways: overall incidence; the share of students with disabilities who are also high-needs, including English Learner (EL), free and reduced price meals eligible,[12] and students with disabilities that are typically expensive to serve (with "severe" disabilities).[13]

[9] Under federal law, students with special needs may attend school until they reach age 22.

[10] Specific learning disability means a disorder in one or more of the basic psychological processes involved in understanding or using spoken or written language that may manifest in an imperfect ability to listen, think, speak, read, write, spell or do mathematical calculations. It can include perceptual disabilities, dyslexia, and other conditions. (California Education Code, Sec. 56337)

[11] Seven other categories account for only 5.6% of special education students. These are orthopedic impairment, hard of hearing, multiple disability, visual impairment, deafness, traumatic brain injury, established medical disability, and deaf-blindness.

[12] The Local Control Funding Formula calls high-needs students "unduplicated" because students are not double or triple counted if they are in more than one category. When we refer to high-need students, we use the term interchangeably with unduplicated.

[13] The California Department of Education defines "severe" disabilities as including autism, blindness (including visually impaired), deafness (including hard of hearing), orthopedic impairment, serious emotional disturbance, intellectual disability, traumatic brain injury, and multiple disabilities.

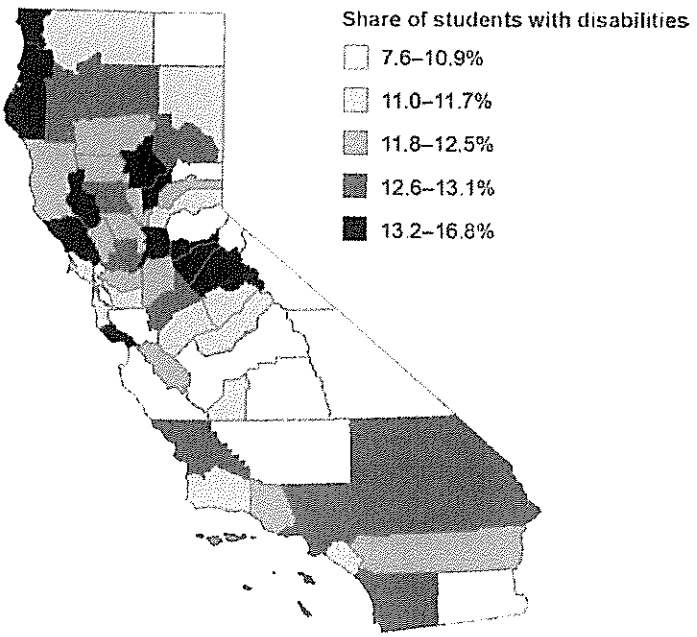
Overall incidence of students with special needs

Figure 5 shows the share of the K–12 population identified as students with disabilities varies widely across the state. Among SELPAs, the share ranges from 7 to 17 percent, with an average of 12.[14] At the county level, the range is 7.6 to 16.8 percent. In approximately one-fifth of counties, more than 13 percent of students are identified as having a disability.

This distribution suggests the census formula may overfund some SELPAs and underfund others. However, this mismatch between funding and need was understood to be a potential consequence of the census enrollment model when it was enacted in 1996. It was expected that school districts would end up filling the gap between state funding and the cost of educating students with disabilities. Local contributions to funding special education were also seen as giving districts an incentive to provide services efficiently. In interviews, district and SELPA administrators expressed broad support for the existing AB 602 formula and reluctance to alter it in ways that might reestablish incentives to over- or misidentify students with disabilities.

Incidence rates are also influenced by the extent to which districts meet student needs with regular education services. For example, Sanger Unified School District in Fresno County has a relatively small proportion of students in special education because it integrates regular and special education services (Huberman, Navo, and Parrish, 2012).[15] Three other districts with better-than-average performance for students with disabilities have been highlighted as integrating special and general education services. One district reported it saved money by doing so.[16]

FIGURE 5
Disability incidence rates vary widely across California counties



SOURCE: Authors' calculations from CASEMIS and LCFF snapshot, 2014–15.
NOTE: Students with disabilities include pre-school and 5th year seniors (numerator). Denominator is K–12 student population.

[14] The SELPA average is slightly higher that the state 11.5% average.
[15] Sanger students with IEPs also performed well on state tests, which is surprising given that the district served a more concentrated group of special education students. Because of its low identification rate, district student disabilities were on average more severe than in other districts (Huberman, Navo, and Parrish 2012).
[16] Upland Unified reported transportation savings when fewer students with IEPs needed to be bused (Huberman, Navo, and Parrish, 2012).

Distribution of English Learner and economically disadvantaged students with disabilities

Many students with disabilities are also English Learners or economically disadvantaged, or in foster care. Such students are classified as high-need, as distinct from special needs which refers specifically to students with disabilities. The LCFF recognizes the additional costs of educating such high-need students by giving extra per-pupil weight for these categories.

High-need students with disabilities may be more expensive to educate than students who need special education services, but are not economically disadvantaged or English Learners, a point noted by the special education task force. This point is implicit in the federal funding formula for special education.[17] The state distribution of high-need students with disabilities is not uniform,[18] reflecting underlying differences in the share of high-needs students and variation in the identification of students with disabilities in the high-need population.

High-need students make up 70 percent of students with disabilities compared with 62 percent in the overall K–12 population. Some 31 percent of students with special needs are EL, substantially higher than the 22 percent in the K–12 population. In addition, 64 percent of special-needs students are economically disadvantaged, compared with 59 percent in the K–12 population.[19]

We also examined the relationship between high-need students in the overall K–12 student population and SELPA identification of students with special needs. Shares of EL and economically disadvantaged students are not related to shares of students with special needs. However, there is a slight relationship between shares of students with IEPs and shares of economically disadvantaged students.[20]

The distribution of students with severe disabilities

We also examined the distribution of students with disabilities with conditions considered severe, which likely requires costly services. The California Department of Education (CDE) defines severe disability as including autism; blindness including visually impairment; deafness and other hearing impairments; orthopedic impairment; serious emotional disturbance; intellectual disability; traumatic brain injury; and multiple disabilities.

A number of studies have attempted to estimate special education costs by disability category. One study found that emotional disturbance, autism, hearing impairments/deafness, and multiple disabilities accounted for 77 percent of high cost disabilities (Chambers, Kidron, & Spain 2004). Another found that autism, multiple disabilities, traumatic brain injury, and visual impairment/blindness have high average costs (Chambers, Shkolnik, and Perez 2003). Augenblick, Palaich and Associates (2011) found autism, emotional disturbance, cognitive impairment, multiple disabilities, and visual disabilities to have high average per-pupil costs in New Jersey. Another way to estimate cost is to calculate the percentage of time students with disabilities spend outside regular classrooms or in specialized schools. This method shows no clear pattern based on disability type.[21]

To examine the distribution of severe disabilities in California, we calculated the number of students with autism, cognitive impairment, deafness-blindness, emotionally disturbance, multiple disabilities, and traumatic brain injury. Figure 6 shows students in these categories as a percentage of all K–12 students are not evenly distributed across the state.

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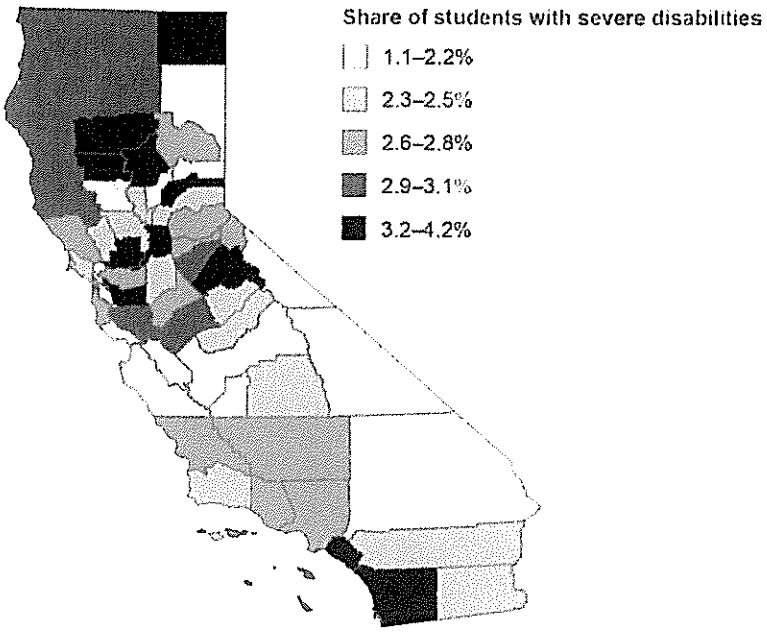
[17] The federal ADA rate for funding special-needs students assumes a 15% extra weight for low-income students, an explicit assumption in LCFF funding as well.
[18] See Technical Appendix B.
[19] Shares of high-needs students by county are displayed in Technical Appendix Figure B.1. Technical Appendix Figure B.2 shows the extent to which county shares of high-needs students with special needs vary from the share of high-need students.
[20] The relationship is statistically significant, but the R^2 is just 0.03.
[21] See Technical Appendix Table B.1

FIGURE 6
Students in severe disability categories are not evenly distributed across the state



SOURCE: Authors' calculations from 2014–2015 CASEMIS.
NOTE: Students with disabilities include pre-school and 5th year seniors (numerator). Denominator is K–12 student population.

At the SELPA level, students with severe disabilities range from one to four percent of the total student population. However, even these small variations could produce large SELPA cost differences. At the county level, the range is identical.

SELPA Funding and Spending

Our analyses of the variation in the proportion of students identified as needing special education services, the share of high-needs students with disabilities and the proportion of high-cost disabilities raise the question of whether AB 602's census approach represents the best way to distribute state funds. If unequal funding and unequal need are balanced, the distribution may be fair. To investigate that possibility, we examine the extent to which SELPA spending exceeds state and federal special education funding and look at the relationship between SELPA spending and the population of students with disabilities.

SELPA spending exceeds state and federal funding

In 2014–15, the federal government provided nine percent, the state 29 percent, and districts 62 percent of California's special education budget. Federal funding largely comes in three grants. The largest, the Local Assistance Entitlement, accounted for 91 percent in 2014–15. In the Individuals with Disabilities Education Act (IDEA), the federal government set a goal of funding up to 40 percent of the per-pupil cost of special education, but the federal contribution historically has not reached that level.

Special education funding is sometimes called "encroachment," a term that could be taken to imply that money spent on services for students with disabilities unfairly reduces support for general education. The one-system approach favored by the Statewide Special Education Task Force takes another view. Students with disabilities

are seen as general education students with needs that require additional spending. We estimate students with disabilities generate about $4.4 billion in LCFF funding.[22]

TABLE 2
Local contributions exceed 40 percent of special education spending at most SELPAs

% local contribution	Number of SELPAs	Expenditure per pupil (ADA)	Average local contribution (ADA)
0–20%	1	1,348	189
20–40%	6	1,594	503
40–60%	65	1,872	997
60–80%	53	2,365	1,546

SOURCES: Authors' calculations from CDE special education finance data, 2014–15

NOTES: Local contributions are the difference between total special education spending and combined federal and state contributions. California state special schools, CHELPAs, and the Los Angeles Court Schools SELPA are excluded. SELPAs report spending data to the California Department of Education.

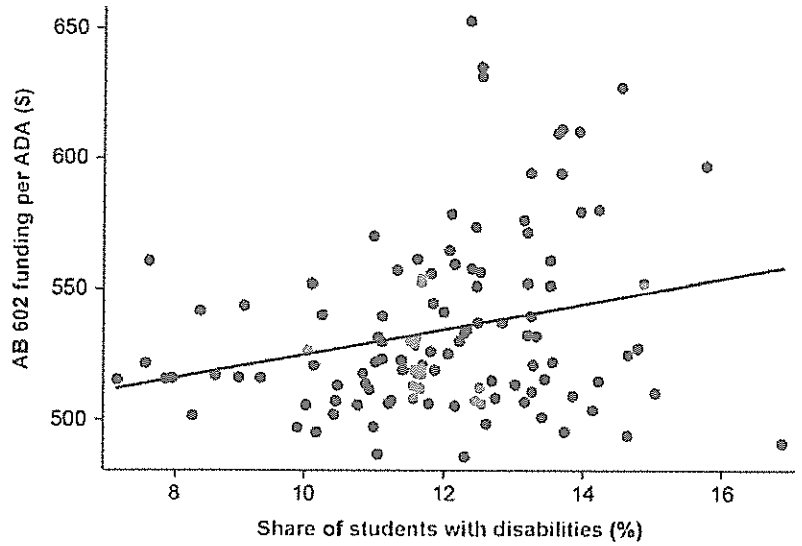
Local special education spending above federal and state contributions is substantial (Table 2). Nine in ten SELPAs generate more than 46 percent of special education expenditures locally. Over half of SELPAs contribute more than 40 percent.

Spending and disability at SELPAs

An important question is whether SELPA spending patterns are related to the relative size and characteristics of their populations of students with disabilities. As Figure 7 shows, AB 602 funding is not closely aligned with the share of students with disabilities at SELPAs. Some higher-funded SELPAs serve relatively small shares of students and some low-funded SELPAs provide services to a much higher proportion. Specially, our analysis found a one percent increase in the share of students with disabilities is associated with a $5 increase in per-pupil funding. We conclude that unequal SELPA funding is not offset by unequal identification of students with disabilities.

[22] To estimate LCFF funds generated by students with special needs. we assume each special education student generates LCFF funding through the base grant pegged to grade level. We also assume that each high-need special education student generates funding through the supplemental grant at a rate of 20% of the student's base grant. Concentration grants are available when a school district's high-need student population is greater than 55%, with each student over that percentage generating 50% of the base grant. We apply that rule to SELPAs, which underestimates concentration district-level grant funding. See Technical Appendix C for a discussion of how LCFF supplemental and concentration funds can be used for high-need students with special needs.

FIGURE 7
SELPA funding and share of students with disabilities

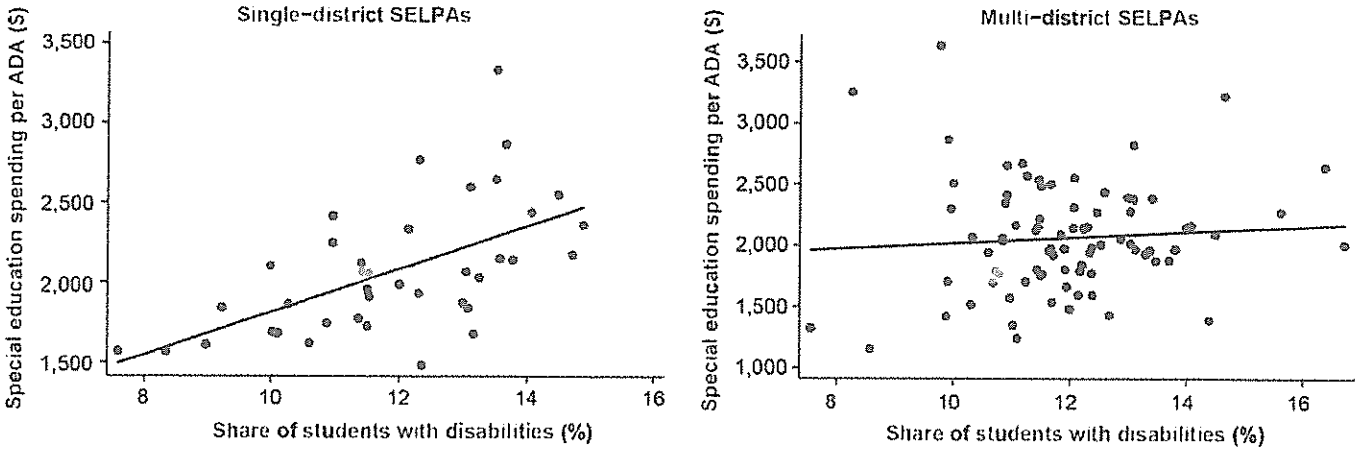


SOURCE: Authors' calculations from CDE special education finance data and CASEMIS data, 2014–15. AB 602 funding includes out-of-home care and state property tax.

NOTES: A one percent increase in the share of students with disabilities is associated with a $5 increase in per-pupil funding. The coefficient is significant, but the model fit is low ($p = 0.01$, $R^2 = 0.06$). The 12 SELPAs with the highest per ADA funding level are excluded. Funding is the sum of AB 602 funding and local property tax revenues earmarked specifically for special education services.

While funding isn't related to SELPA disability rates, we might expect that spending would be. Figure 8 shows this is true for single-district SELPAs. As SELPA share of students with disabilities increases, spending per ADA rises. However, as Figure 8 shows, there is no relationship in multidistrict SELPAs between the share of students with disabilities and special education spending.

FIGURE 8
Spending and share of students with disability



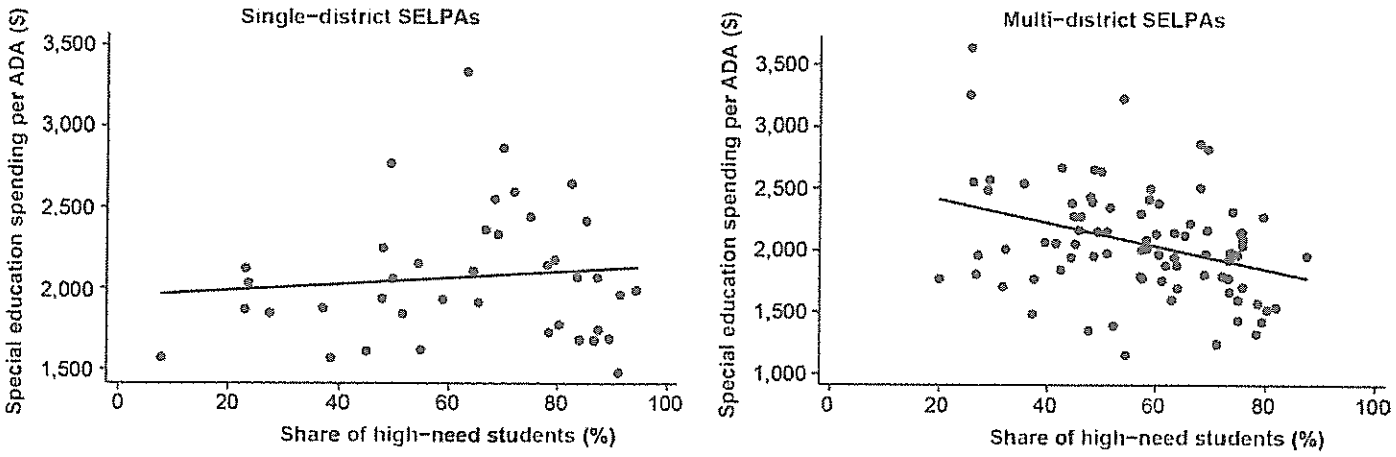
SOURCE: Authors' calculations from CDE special education finance data and CASEMIS data, 2014–15.

NOTES: A one percent increase in the share of students with disabilities is associated with a $134 increase in special education spending for single-district SELPAs and a $23 increase for multi-district SELPAs. However, only the coefficient for single-district SELPAs is significant ($p = 0.00$, $R^2 = 0.34$) while the coefficient for multi-district SELPAs is not ($p = 0.47$, $R^2 = 0.01$).

Spending at single-district SELPAs is not related to the share of students with IEPs who are English Learners, economically disadvantaged, or foster youth. Figure 9 shows spending is relatively flat as the share of these high-need students increases. However, spending at multi-district SELPAs decreases with increasing shares of high-need students, an unexpected result given that high-need students are overrepresented among students with IEPs and that such students tend to cost more to educate. Further research is necessary.

FIGURE 9

Multi-district SELPAs with more high-need students spend less on special education. There is no relationship for single-district SELPAs



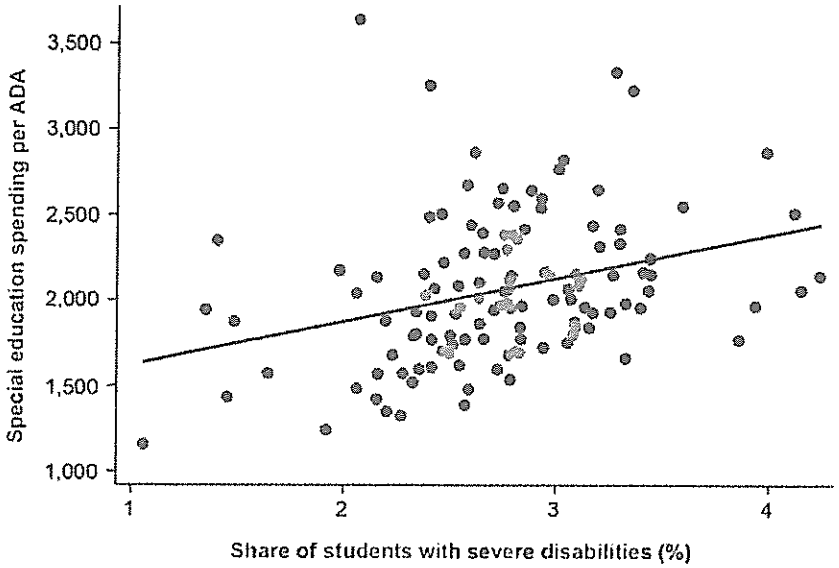
SOURCE: Author's calculations for CDE special education finance data and CASEMIS data, 2014–15.

NOTES: A one percent increase in the share of high-need students is associated with a $2 increase in special education spending for single-district SELPAs and a $9 decrease in funding for multi-district SELPAs. However, the coefficient for single-district SELPAs is not significant ($p = 0.51$, $R^2 = 0.01$) while the coefficient for multi-district SELPAs is significant ($p = 0.00$, $R^2 = 0.12$).

Figure 10 shows that SELPA spending increases as the share of students with severe disabilities rises. However, spending increases relatively more in single-district SELPAs than in multidistrict SELPAs. In separate analyses, we found higher rates of autism, emotional disturbance, other health impairments, and deafness-blindness are individually associated with higher SELPA spending. However, the variation in costs among districts with the same proportion of students with severe disabilities is wide. Overall, such students play a relatively small role in SELPA special education costs.

FIGURE 10

Spending increases as the share of severe students with special needs increases



SOURCE: Authors' calculations from CDE special education finance data and CASEMIS data, 2014–15.

NOTES: A one percent increase in the share of students with high-cost disabilities is associated with a $252 increase in special education spending. The coefficient is significant ($p = 0.00$, $R^2 = 0.10$).

No clear rationale for changes

In summary, we found that (1) SELPAs uniformly spend more on students with disabilities than they get from state and federal sources; (2) single-district SELPAs spend more when they have a higher proportion of students with disabilities; and (3) both single- and multidistrict SELPAs spend more when they have a higher proportion of students with severe disabilities, although this relationship is stronger for single-district SELPAs.

In the end, we did not find reasons why California should change its practice of distributing funds based on ADA. The AB 602 formula was supported by all the special education administrators we interviewed. The proportion of students with severe disabilities has only a small influence on local costs and is dwarfed by other factors.

How SELPAs Affect Funding and Service Delivery

The state requires school districts to join a SELPA. Today, 40 single-district and 85 multidistrict SELPAs operate in California. Single-district SELPAs are mostly in large, urban areas, while multidistrict SELPAs cover the rest of the state. Most counties have at least one multidistrict SELPA. Four SELPAs, known as CHELPAs, serve charter schools. In 2014–15, 303 charters were CHELPA members. Three SELPAs serve other special populations.[23]

California created SELPAs to ensure that all students with disabilities are educated in compliance with federal law. State law gives SELPAs a range of policy and procedural responsibilities to make sure local special education programs meet the needs of students, teachers, and administrators.

[23] They include SELPAs operated by the California Department of Development Services, the California Department of Corrections, and the California State Special Schools.

While state and federal funding are channeled through SELPAs, they do not administer classes, which are run by districts and county offices of education. The role of SELPAs is to help coordinate the system of special education services. SELPAs are required to develop annual budget and service plans. In multidistrict SELPAs, the budget plan identifies how state and federal special education funds will be allocated among districts and county offices. The service plan outlines how educational agencies will provide services that ensure all students receive appropriate instruction.

Statutory SELPA Responsibilities

- A coordinated system of identification, referral, and placement
- An annual budget that includes a description of how funds are distributed to member districts in multidistrict SELPAs
- An annual service plan outlining the services each district and county office of education will provide
- Plans for providing services to students in medical, correctional, or other facilities
- A process for protecting student and parental rights
- Regional staff to train and consult with district teachers and administrators
- Submission of special education program data required by state and federal law
- Coordination with other public agencies that serve people with special needs

SOURCE: California Education Code, Sec. 56195–56208

SELPAs also monitor the operation of safeguards mandated by state and federal law, such as complaint and dispute resolution procedures; hire professional development staff to train teachers and administrators; and collect and forward to the CDE legally required data on district special education programs.

Each district retains responsibility for designing its own special education program, including establishing a process for identifying students who need special education services; putting in place early services that could make special education unnecessary; developing IEPs for each student identified as special needs; and choosing the settings in which students with disabilities are schooled. How SELPA policies and funding formulas influence these choices is poorly understood.

Multidistrict SELPA fiscal practices

Multidistrict SELPAs are special education consortiums guided by local boards composed of district superintendents and others. They allocate state and federal funds based on local priorities. State law provides them great flexibility so long as they spend funds on services for students with special needs.

We analyzed funding allocation patterns in 39 of the 80 multidistrict SELPAs using SELPA and county websites that posted plans from 2014 or later. This selection is not necessarily representative. SELPAs in several counties, including Los Angeles, are not included. However, we found no significant differences between our sample and the multidistrict SELPA average on a number of indicators, including the proportions of EL, low-income, and special education students.

Our review found no template for reporting SELPA budget plans. The level of information and detail on allocation plans varies widely. SELPAs may report their allocation models in one of several documents, including

the local plan, procedure manuals, and budgets. We are not confident that we obtained a full picture of each SELPA's budget plan.[24] Nevertheless, it became clear that there are a variety of approaches to allocating state and federal special education funds. Most SELPAs do not simply pass funds through to districts. Instead, SELPA plans are often quite complex, earmarking funds for specific programs or costs. However, we found plans all had three basic elements: allocations based on district size; off-the-top allocations, and regional programs.

Allocations based on district size. Virtually all SELPAs distributed a portion of state and federal funds to help pay for district special education classes and services. Some SELPAs distribute almost all state and federal special education funds to districts. Others distribute a relatively small share. For instance, one SELPA we visited distributes less than 25 percent of state and federal funds to districts based on district size. Most commonly, distribution mirrored the state AB 602 formula, providing a uniform per-ADA amount to districts. A few SELPAs based allocations on the number of students with special needs identified by each district.

Off-the-top allocations for programs. Off-the-top allocations are made from the combined pot of state and federal funds. Most SELPAs allocated a portion of these funds to specific programs or costs before making distributions based on district size. A significant proportion of SELPAs allocated funds for each student identified as having severe disabilities. Many paid the costs of students who attended private special education schools.[25] In both cases, the average cost was often much higher than for other special education students. SELPAs also take funds off the top to pay extraordinary district costs, such as legal expenses.

"Off-the-top" allocations are made from the collective pot of state and federal funds. Because both state and federal programs use district size to allocate funds, large districts account for a greater share of multi-district SELPA funding than smaller districts. As a result, large districts "pay" for a greater proportion of the off-the-top allocations.

Regional programs. The administrative arms of multi-district SELPAs (a school district or county office of education) typically offer regional special education classes for students with severe or unusual disabilities. These programs are justified because they can offer higher quality instruction at lower average cost. SELPAs pay for regional programs in two ways. Some pay off-the-top funds to the district that operates regional program. Others charge districts when their students attend regional classes. Some SELPAs do both, directing off-the-top funds to pay a portion of the cost and charging districts for the remainder.

SELPAs redistribute funds in significant ways

A Fiscal Crisis Management Assistance Team (FCMAT) audit of one multidistrict SELPA illustrates ways these agencies can shift resources among districts (Fiscal Crisis Management Assistance Team 2013). The review, spurred by concerns that the SELPA's budget plan favored certain districts at the expense of others, found that district allocations of AB 602 funds ranged from about $100 to $199 per ADA. Federal funds were distributed based on the number of students with disabilities in each district, ranging from zero to $180 per ADA. The combined state and federal allocations to districts were between $180 and $285 per ADA.

Most of the remaining funds—$345 per ADA—were allocated off-the-top to regional programs for services to students with disabilities administered by county offices of education at an average cost of approximately $30,000 per student. The audit noted local concerns that small districts sent students with less severe disabilities to these regional classes, while large districts might serve these students in district programs. The high cost of these

[24] Several studies by the Fiscal Crisis Management Assistance Team find that district superintendents do not understand SELPA funding models. See, for example, San Joaquin County Office of Education: SELPA Review, December 2013.

[25] These schools are also known as nonpublic schools to distinguish them from private schools that serve a general student population.

classes combined with the fact that the SELPA paid for them with off-the-top funds gave districts a powerful incentive to refer students to them. The audit did not specifically find that small districts sent a disproportionate number of students to regional classes. The report did not address whether smaller schools sent students with less severe disabilities to such programs.

The issue of special education costs in small districts and charter schools is a particular concern. A single high-cost student can create significant budget stress for a small district or charter school. The FCMAT audit showed that smaller districts and independent charter schools with less than 3,000 ADA received an average of about $20 per ADA less than larger districts in direct AB 602 and federal funds. Of course, this does not account for students served in the very expensive regional programs.

At the state level, special education spending in districts with less than 1,000 ADA is about 49 percent higher than in larger districts, according to the state's K–12 accounting database. On average, smaller districts spent slightly more than $2,664 per ADA in 2014–15 versus $1,784 in larger districts.[26] However, the variation is large. About 16 percent of small districts reported spending more than $3,000 per ADA, while 36 percent spent less than $1,000. Among larger districts, spending at these high and low ranges was four percent and 13 percent respectively. These figures may understate actual spending because county office program costs cannot be attributed to the districts that benefited from the expenditures.[27]

In general, the larger size of most multi-district SELPAs allows them to help small districts cope with very high cost students. The state also provides higher funding to 19 "necessarily small SELPAs" covering rural counties with fewer than 15,000 students. The AB 602 formula multiplies the per-ADA rate by 15,000 to maintain a minimum level of funding.

SELPA allocation models raise issues

The role multidistrict SELPAs play in distributing state and federal special education funds to districts and regional programs raises two major issues: (1) SELPA budget plans can inadvertently create incentives for districts to identify students in certain ways or use regional programs to serve students in lieu of district programs and (2) SELPA governance and accountability are not nearly as strong as those under LCFF.

SELPA allocations can create negative incentives

AB 602 was designed to support local programs in ways that minimize incentives to overidentify students for special services or place students in certain educational settings. Similarly, the state Out-of-Home Care formula is based on the number of students residing in residential facilities and not the school setting those students are placed in. By divorcing funding from disability labels and educational settings, the state sought to encourage districts to educate more students with disabilities in regular classrooms. However, multidistrict SELPAs frequently tie funding to program settings. As a result, SELPA budget plans sometimes create precisely the problems the state sought to avoid.

Severe student allocations. SELPAs commonly allocate a large grant for each student identified with a severe disability. SELPAs that do this provided about $15,000 for each student with severe disabilities, much more than the amount distributed for most other special education students. This can create incentives to identify students as severe. One SELPA administrator we interviewed said such grants encourage districts to adjust diagnostic

[26] Standardized Account Code data base, provided by California Department of Education.

[27] No rules govern how districts and county offices account for regional program costs, according to California Department of Education Administrator Christine Davis. As a consequence, county offices often report regional program expenditures, not the district where the student resides.

practices in order to obtain higher funding.[28] Allocating large amounts based on disability labels also can skew distribution of state and federal funds among districts.

Special education pupil count. A few SELPAs distribute funds at least partially based on the total special education pupil count in each district, another way SELPA plans connect funding and special education identification. Of the five SELPAs we found that distribute funds to districts based on the number of students with IEPs, four use a formula that combines special education counts and ADA. By linking identification with funding, these SELPAs may risk encouraging districts to identify more students as special needs. However, the proportion of students identified in the five SELPAs was not statistically higher than in the other SELPAs we studied, although the small sample size makes finding significant relationships difficult.

Regional programs. Regional programs that serve students with complex or rare disabilities may be funded with off-the-top dollars, which makes these classes "free" to member districts. These programs are administered by county offices of education or one or more districts. Because these programs are paid for and make district-level programs unnecessary, they give districts an incentive to refer students to them. Subsidies for these programs are questionable from a financial standpoint and the incentive districts have to place students in them potentially conflicts with the federal requirement to educate students in the least restrictive environment.

Nonpublic school costs. Many SELPAs reimburse districts for nonpublic school costs, a practice that undercuts the state's goal of supporting public programs for students with disabilities. Nonpublic schools typically serve students with complex or severe disabilities, and often are quite expensive. To ensure that districts are protected from the most expensive nonpublic school placements, the state has a $3 million extraordinary-cost program that reimburses districts for costs over $75,000 for any individual nonpublic school placement.

Multidistrict SELPAs are less locally controlled and accountable

Special education was not part of the LCFF reform. While SELPA budgets reflect the collective decisions of member districts, they are not subject to district control as understood in LCFF and they lack LCFF's strong parental input and accountability processes.

Districts influence but do not control multidistrict SELPAs. The SELPA structure deprives districts of independent authority to use state and federal special education funds in ways that best meet student needs. Table 3 compares LCFF and SELPA policies for governance and accountability. Districts are governed by elected school boards, while multidistrict SELPAs are governed by boards composed primarily of district superintendents. Districts have at best one vote on the board and at worst no direct voice in SELPA decisions. A SELPA director we interviewed who had worked in both single and multidistrict SELPAs said that single-district SELPAs control spending and program decisions, while districts in multidistrict SELPAs influence, but do not control, such decisions. A district budget officer described the annual SELPA budget process as a negotiation in which districts vie for shares of special education resources.

[28] The administrator reported that if a student has two diagnoses, the district will designate the more severe one as primary in order to secure "severe" funding.

TABLE 3

LCFF requires more local input and accountability than special education plans

	Local Control Funding Formula	Special Education Local Planning Area
Governance		
Entity	District	District or regional
Accountable officials	Elected school board members	Appointed district or county office superintendents
Public outreach	Public, parents, district advisory councils	Community advisory committee
Accountability		
Performance goals	23 indicators of school and student success	None
Performance subgroups	Low-income, English Learners, foster care, students with special needs	None

SOURCES: California Education Code Sections 52060– 52076 (LCFF accountability) and 56195–56500 (special education).

NOTE: The state board added students with disabilities as a subgroup under LCFF accountability. This is also included in federal accountability requirements.

The lack of direct control creates potential problems for districts, ranging from financial to the quality of regional services For instance, funding regional programs off the top might make it too expensive for districts to create their own program for students with severe disabilities. Unhappy districts can make their case to their SELPA boards, but otherwise have no recourse. In one case, a Southern California SELPA expelled a district amid a dispute over the quality of regional services.[29]

The state faced similar issues when it created charter school SELPAs.[30] These statewide SELPAs allow independent charter schools to choose the level and type of special education support they receive. This greater flexibility generally gives charters more leverage than districts and may help ensure that funds are not diverted to off-the-top services.

Transparency and accountability. LCFF requires districts to go beyond existing advisory councils to engage parents and other community members. SELPAs do not have the same mandate. A community advisory committee is the SELPA's main conduit for parent input. In addition, districts are governed by elected school boards, which generally makes them more responsive to parents and communities than appointed SELPA superintendents.

Multidistrict SELPAs may be insulated in other ways as well. For most parents, they are likely to be located further away than district headquarters. Moreover, information on the SELPA operations and budget may be difficult to obtain. We were unable to find budget and administrative plans on the internet for more than half of the state's multidistrict SELPAs, including all 12 multidistrict Los Angeles County SELPAs. Without these resources, parents and community members may find it hard to get the information they need to take part in SELPA policy discussions.

Accountability also is a problem both at the district and SELPA level. Districts are accountable for the education of all students, including those in special education. LCFF directs districts to set performance goals for 23

[29] Since state law requires districts to be part of a SELPA, the Ontario-Montclair School District has applied to the State Board of Education to become its own SELPA even though it does not meet the state's 30,000-student threshold.

[30] In a memo to the State Board of Education, Deputy Superintendent William J. Ellerby wrote that some "charter schools express a preference for exercising more influence over special education programs than they have under their existing SELPA membership, including instructional models, funding allocations, and program specific support personnel." Special Education Local Plan Area and Charter Schools Pilot Project Report, California Department of Education, William Ellerby, December 8, 2009.

indicators of school and student success each year, and monitor performance by major subgroups. The State Board of Education recently added disabled students as a major student group for LCFF accountability. This will provide useful new information to parents. Special education will still be excluded from the budget and planning requirements of LCFF, which is hard to understand given the size of the special education population. California does not hold SELPAs accountable for student success in any formal way. SELPAs are not required to set goals or assess the progress of students with disabilities—even those who attend regional classes. SELPAs are responsible for ensuring that districts meet federal least-restrictive-environment requirements, but there is no local reporting of district and SELPA success in meeting performance goals. SELPAs cannot be held accountable for student performance if data are not available at the local level. Lack of accountability may affect the quality of special education services. According to one study, California has made slower progress in moving away from separate classrooms for students with disabilities than most other states (Parrish 2012).

Can separate governance result in a seamless system?

In multidistrict SELPAs, special education has a dual governance process, one at the district and the other at the SELPA level. SELPAs allocate state and federal funds, and develop regional educational settings for students with severe disabilities. In many cases, multidistrict SELPAs also protect small districts from high special education costs.

The Statewide Special Education Task Force called California's system "siloed" because of its separate instructional systems, accountability requirements, and reporting mandates (California's Statewide Task Force on Special Education 2015). We suggest that the requirement that districts belong to SELPAs is another reason special education is siloed in California. No federal rules or regulations *require* districts to operate special education programs apart from general education. Instead, a separate system represents the easiest way for districts to cope with the multiple mandates of state and federal law.

Helping districts develop more integrated special education systems means simplifying the current system. Whatever is not required by federal law should be reevaluated. That point raises a series of questions. Does the state need to require SELPAs or should districts be given more flexibility? Should funding for students with disabilities be added to LCFF as a way of unifying local governance and accountability processes? By giving districts more options and focusing more on outcomes, the state can encourage districts to see special education services as one end of the student-needs spectrum rather than as a separate system.

Special Education in Other States

For perspective on California special education, we looked at how other states finance and operate programs for students with disabilities. We found no single best model. Each state has developed its system in the context of its overall K–12 program. Here we look at three aspects of state support for special education: (1) Are state funds categorical, meaning they must be spent on special education, or general? (2) What formula drives how funds are distributed to districts? (3) Are there regional special education institutions?[31]

[31] Technical Appendix D has a detailed discussion of special education financing in other states.

Categorical or general funds. In general, states use one of three models:

- Thirty-three states finance special education as part of the main K–12 funding formula. This gives districts more flexibility in using funds.
- California and 11 other states provide resources as a separate categorical grant, requiring that funds be spent only on special education.
- Five states reimburse local school districts for a portion of special education expenses.

As in California, districts in other states spend more on special education than the funds the state provides. With one exception, every state we contacted noted that their districts felt state funding was insufficient. The exception was Wyoming, which reimburses districts for 100 percent of special education costs.

Formula driver. Within these three categories, states vary considerably in how special education funds are distributed. Like California, several states base allocations on a district's overall student census. Others use the number of students with disabilities. Some states go a step further and weight their allocations on risk factors, such as the number of low-income students or the severity of student disabilities.

Regional services. Most states take steps to find economies of scale through regional services. Like California, many have state schools for blind and deaf students. Some have regional centers that provide services for students with low-incidence disabilities impractical to serve at the district level. Districts typically pay the regional center for these services. We did not find any state that uses an intermediary to distribute funds to districts as SELPAs do in California.[32]

In some ways, California's special education financing system is similar to those of other states: California also uses a formula to determine allocations, seeks economies of scale, and places significant responsibility for special education funding on local districts. In other respects, California is unique. It is one of a minority of states that use categorical grants to fund special education and may be the only one to distribute special education dollars through intermediary institutions.

Alternative Approaches to Special Education Finance and Structure

Our analysis focuses on two interrelated features of California special education: funding and program structure. On the funding side, the AB 602 formula has successfully funded services without creating incentives to overidentify students for special education. While we observed increased spending in SELPAs with higher shares of severe disabilities, there are no compelling reasons to alter the current census-based formula. Similarly, based on current research, the slight relationship between economically disadvantaged students and shares of students with disabilities does not merit putting additional weight on funding special education for economically disadvantaged students.

Still, the current funding system has significant problems. Most importantly, total state special education spending has not kept pace with growth of caseloads and costs, and large disparities exist in AB 602 ADA rates among SELPAs.

On the program side, our concern is the role SELPAs play in determining how funds are spent and services delivered. Most districts in California receive only a fraction of special education funds directly. SELPA authority

[32] Oregon's Education Service Districts structure is perhaps most similar to the SELPA model. However, these regional consortiums provide a range of services beyond special education. See Technical Appendix E for a detailed discussion of state intermediaries.

over the allocation of funds reduces district control and flexibility. SELPA fiscal practices also can create negative incentives for districts, such as offering no-cost regional classes that make it too expensive for districts to set up their own programs. SELPA practices may also encourage districts to send students to private special education schools that may be more restrictive and expensive than district-level special education.

SELPA funding and governance clash with the principles of local control, transparency, and equity underlying LCFF and the goals of the Statewide Special Education Task Force. Overall, California's special education finance system seems inconsistent with LCFF in these areas.

In our view, the state should be looking to create greater coherence between LCFF and special education. The web of state and federal special education rules, including categorical funding and maintenance of effort, shapes local educational practices and reinforce the special education silo. Building financial walls around programs encourages districts to keep special education separate from other programs. LCFF broke down similar walls in other K–12 areas. If the state hopes to integrate special and regular education, it needs to start by deregulating special education finance.

Another important step towards integration of regular and special education would be to include special-needs students in LCFF accountability and governance processes. Adding special education to district Local Control and Accountability Plans (LCAP) would highlight what districts are doing to improve services for students with disabilities and create benchmarks for determining whether outcomes are improving. It would also give parents of students with disabilities the same access as other parents to district program and budget plans.

Fund districts, not SELPAs

The first step in improving special education financing should be to allocate state special education funds directly to districts. This represents a significant change and it makes sense to do this in a multiyear transition. In addition, it is important to address the special problems of small districts and charter schools, which could be overwhelmed by a few students with expensive disabilities.

Categorical versus general funds

The state has several options on how to distribute special education funds to districts:

- Maintain the existing categorical program for special education, but direct state funds to districts instead of SELPAs.
- Add special education funding to the LCFF formula while keeping the requirement that the funds be spent only on special education. Merging special education funding into LCFF would mean that districts receive the same increases for special education as LCFF base, supplemental, and concentration grants, ensuring that special education funding would increase in step with the rest of the budget. Plus, special education would formally become part of LCAP outreach and planning.
- Add special education funds to the LCFF formula with no firm restrictions on use. Instead, the state could require the money be earmarked for general special education purposes and for students at risk of needing an IEP. This would give districts maximum flexibility in using funds to meet student needs and promote more seamless provision of services. This option has the benefit of channeling virtually all Proposition 98 K–12 funding, through LCFF. Federal law would continue to require maintenance of effort on district special education spending as well as individual guarantees of services through IEPs.

In our view, the third option makes most sense and aligns most closely with the principles of LCFF and the Statewide Special Education Task Force report. Many other states provide unrestricted funds for special education instead of categorical dollars without undercutting guarantees of services to students with disabilities. The General Fund dollars California designates for special education are modest compared with the amounts districts contribute. It is unlikely that making state funds general instead of categorical would cut special education spending.

We recognize some may find this option threatening. Nevertheless, we view it as a critical step towards a more-integrated system of special and general education. By funding districts, the state can eliminate the dual governance special education system, which could help districts implement the classroom-based instructional model advocated by the special education task force.

Directly funding districts will not solve all special education issues—and undoubtedly would create new ones. Small districts and charter schools would need to be protected from extraordinary costs. The state may want to continue regional oversight to ensure students are receiving needed services. But funding districts would bring special education in line with the principles underlying LCFF and give the state the opportunity to fully integrate special education into the LCAP, thereby making district plans more responsive to parents and the community.

Continuing other SELPA functions

While multidistrict SELPAs are problematic, these consortiums provide a range of benefits. They train teachers, help districts with curriculum development and legal compliance, work with districts and county offices to develop classes for students too difficult and expensive for districts to educate, and shield small districts from extraordinary special education costs.

Even if districts were directly funded, we expect some regional organizations similar to SELPAs to remain part of California's special education system. In particular, smaller districts may want to join SELPA-like consortiums to achieve economies of scale. Under such a set-up, districts would be better able to choose services and negotiate prices.

Alternatively, county offices could assume SELPA duties and provide regionalized services to districts on a contractual basis. These offices could take over SELPA responsibilities for ensuring that students receive services in the least restrictive environment. Special education would become part of district LCAPs, generating more data and increasing attention to special education student performance. County offices already help districts develop improvement plans under LCFF, and they would be well-positioned to work with districts to improve the quality of services for students with disabilities.

One possible problem concerns the role of county offices in overseeing the LCFF improvement process. There is a potential conflict if they were to play a larger role in delivering special education services to students. Such an arrangement might undercut accountability because a county office heavily involved in educating students with disabilities might be less likely to press districts to improve special education programs. For this reason, the state should require county office LCAPs to include special education classes operated by the county office. That would give parents and districts better information on the quality of county office classes and provide them an avenue to work for improvement.

Options for protecting small districts

In our view, the thorniest issue created by directly funding districts for special education is how to protect small districts and charter schools. As a group, small districts already spend more than larger districts on special education and the variation among them is wider. One option for shielding small districts from excessive costs is

to offer them a modest increase in the per-ADA funding rate. The state already provides higher funding to 19 small SELPAs.

Special education poses two problems for small districts and charter schools: (1) ensuring that costs do not exceed reasonable levels without creating incentives that encourage higher district spending; (2) addressing the fact that some small districts and charters may have very low or no special education costs in a given year. Under the current system, SELPAs smooth the ups and downs of small-SELPA special education costs and ensure that all state and federal funds are spent. Under direct district funding, small districts could lose state and federal funds if their costs remain low for several years.

Addressing variability requires that districts be able to pool their funds with other districts. Pooling options include:

- Continue the current SELPA system, but make the subsidies to small districts explicit. This could be done by requiring SELPAs to direct special education funds to districts on an ADA basis but creating an exception for small districts. SELPAs would continue to help small districts deal with the stresses of special education costs. This option would make small-district costs and subsidies more transparent, and would ensure an annual SELPA review of their special education costs.
- Create statewide small-district SELPAs similar to charter SELPAs. These SELPAs could pool costs to protect small districts from extraordinary expenses.
- The state could create small-district cost pools. These could operate like insurance (where charges are based on experience) or they could be like existing state cost pools that limit district liability for high-cost students.

The state needs better small-district cost data to evaluate these options. California could start by requiring SELPAs to report small district costs and subsidies in past and current years. This would give the state a more accurate picture of the internal subsidies in SELPA budgets.

Update AB 602

The second critical step in reforming California special education is to make the AB 602 formula more consistent with the LCFF principle of equity by achieving greater equality in the local funding rates. This would require assigning each district its current SELPA rate and then increasing the rate of low-funded districts. Currently, the highest per-ADA rate is twice as large as the average, and equaling to the highest rates may be prohibitively expensive and provide too much special education funding to some districts. We suggest three ways of thinking how to move towards equalization while controlling costs:

- Equalize to the highest ADA rate after funding outliers have been eliminated and equalize district rates at this level. We propose the 90th percentile, which eliminates the 12 highest-funded SELPAs.[33] The ADA funding rate at the 90th percentile is currently $653. This reform would cost an additional $670 million per year. For comparison, the 80th percentile is $578 and the 70th percentile $556 per ADA. Equalizing to either would cost considerably less, but also do less to close the gap between the top-funded and the average SELPA.
- Equalize to the 2007 per-ADA rate, the peak year in which the average was $651 per ADA in 2014 dollars. This would cost approximately the same as equalizing to the 90th percentile.

[33] Those SELPAs are Modoc, Sierra, Trinity, Mendocino, Lassen, Calaveras, Pasadena Unified, Marin, Siskiyou, Santa Clara III, Mono, and San Francisco.

- Increase funding to recognize the higher costs generated by rising caseloads relative to ADA and the shift towards more severe disabilities. We estimate this could add $1.1 billion a year (although this estimate is highly uncertain). Under this approach, increased funding could be withheld from districts at the top of the distribution.

Simplify other funding programs

Opportunities exist to simplify special education funding and create stronger incentives to establish programs that provide early services to children with disabilities.[34] Specifically, we recommend:

Include Mental Health funding in AB 602. The LCFF principle of local control is inconsistent with funding mental health services as a separate special education program. The state lacks the information to determine the amount each district needs for these services. Moreover, language adopted as part of mental health services reform in 2011 specified that a separate appropriation was temporary.

More attention should be paid to the relationships between school districts and county mental health agencies. During district interviews, we heard that relationships between district special education and county mental health programs ranged from close and collaborative to nonexistent. Collaboration benefits both agencies, so it is important to understand the barriers to cooperation.

Base Out-of-Home Care funding on placements. This program distributes funding based on an area's group home capacity, in contrast with other residential institutions, which are funded only for actual placements. Our research shows group homes are about half full at any one time. Changing the formula so funding for all facilities is based on actual residency would save about $50 million. Because of recent social services changes, group home placements and the cost of funding based on residency are expected to fall further. The state should monitor these changes to determine whether it makes sense to eliminate this allocation entirely.

Increase state support for infants and preschoolers with disabilities. Funding for children from birth to age 4 receiving special education services seems unnecessarily complicated and gives districts a disincentive to serve the youngest population with disabilities. Infant programs are split between K–12 education and the Department of Developmental Services. The state's K–12 formula is outdated and inequitable. Additional study is needed to better understand how to better support effective services for these children.

Special education funds pay the entire cost of preschool programs for children with disabilities because they are not considered students for LCFF purposes. Districts do not get base grants for these children and the AB 602 formula does not adjust when districts enroll more prekindergarten students. CDE data suggest that one in five special education kindergarten students, about 6,400 children, were not previously identified and did not receive preschool special education services. The Statewide Special Education Task Force called on the state to address this issue. We agree.

One option is to count preschool attendance towards school and district ADA, at an annual cost of over $500 million. By providing the same funding level as for other students with disabilities, this would remove the disincentive to serve younger children. Another option to boost incentives to serve these children is to increase the supplemental funding preschool programs receive for special education students. One problem though is that districts in more affluent areas do not operate state preschool programs. Still, this option might reduce the emphasis on separate classes for special education preschool students.

[34] See Technical Appendix A.

Conclusion

Special education illustrates that the mechanisms California uses to fund school districts profoundly affect how students are educated. A variety of state and federal laws wall off special education funding from other areas of schooling. Moreover, in most cases, districts do not receive funding directly, but through regional SELPAs. The result is that special education often becomes a separate province in the K–12 system.

The current separate system achieves few of the principles underlying the LCFF or the 2015 Statewide Special Education Task Force report. Special education finance compromises local control and accountability, transparency, and equity. California's system also contributes to the silo effect identified by the task force. Categorical funding rules and separate governance make it harder for districts to pursue the task force's vision of a seamless system of services for both regular and special education. Infant and preschool programs represent a special problem. Funding for these programs operates differently than for other special education activities, and the relative lack of state support runs counter to the task force's call for greater emphasis on early intervention.

Yet, special education finance works well in other respects. The AB 602 formula is widely considered a reasonable way to distribute funds, in part because it does not create negative incentives. Of course, some districts face greater challenges than others, but our review did not uncover a strong case for major adjustment. SELPAs value the flexibility AB 602 funds afford and most want even greater flexibility. The AB 602 formula's biggest problems are that funding to SELPAs is not equal and that the state had not updated it in response to increased special education caseloads and the rising incidence of high-cost disabilities. We suggest equalizing funding rates. And we estimate that caseload changes may have increased special education costs by $1.1 billion, a burden that falls largely on the shoulders of school districts.

To encourage greater integration of special and general education, we recommend ending California's parallel system of special education governance and distributing LCFF funds directly to districts instead of through SELPAs. Special education would become part of district LCAPs, which would raise the visibility of both the performance of students with IEPs and of district plans for improving those outcomes. The state would need to determine the future role of SELPAs—whether district membership in SELPAs or SELPA-like organizations is needed to protect small districts and charter schools from exceptional special education costs. In addition, there must be oversight to ensure students are receiving appropriate services in the least restrictive environment.

It has been more than 40 years since the federal government enacted the Education for All Handicapped Children Act requiring schools to provide students with disabilities equal access to education. Since that time, the share of students identified with disabilities, the legal protections for those students and their families, and the range of services that schools must provide have all expanded. At the same time, the cost of special education has grown. Today districts spend much more to serve children with disabilities than state and federal categorical programs provide.

In its fifth decade, perhaps we can say that special education has matured and that California school districts should be encouraged to develop new ways of funding and delivering special education services. The task force envisions a system that focuses on student outcomes, that flexibly delivers services to special and regular education students as needed, and that puts a priority on early intervention. By recasting special education's finance and governance issues as a part of LCFF, our recommendations take the first step towards these important objectives.

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Special Education Finance in California

Technical Appendices

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Appendix A. Problems with AB 602 and Other State Funding Programs for Special Education

The AB 602 model was based on a few simple assumptions: Total ADA linked special education funding to changes in the size of the student population without encouraging districts to identify students with disabilities. Per-ADA funding rates were based on the statewide incidence and mix of disabilities—and, by extension, the average cost of providing services. But, not surprisingly, over a 20-year period, the average cost assumption has not held. The proportion of students identified for special education has grown and the mix of disabilities has become more expensive over the past decade, creating significant cost pressures for districts. We discuss these issues in more detail below.

Special education serves a larger proportion of students

Figure A.1 illustrates important changes to special education caseloads over the past 10 years. The figure shows percentage changes in the number of students with special needs over these years, as well as the change in total ADA of the K-12 system. We have divided students with special needs into three groups: students ages 4 and under (whom we will call pre-K students), students over the age of 18, and students with special needs from ages 5–18. As the figure shows, total ADA declined slightly during the period. The annual changes were very small, but over the course of the decade, total ADA fell by one percent. As ADA shrank, so did the level of state special education resources.

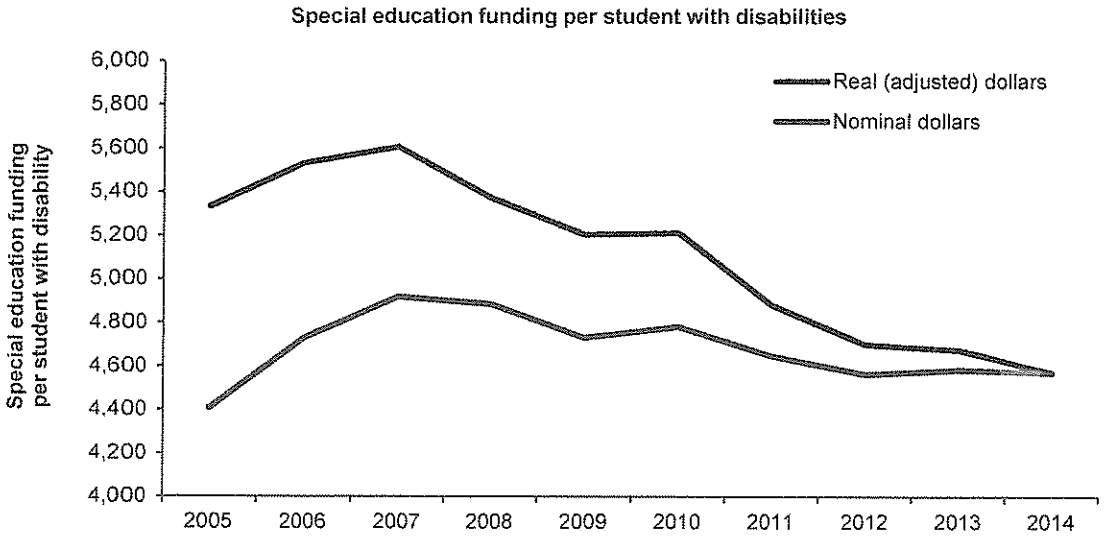
FIGURE A.1
Total ADA has not reflected changes in special education caseloads

SOURCE: California Department of Education, special education enrollment.

Special education caseloads, however, did not fall, but grew substantially. Students with special needs ages 5–18 declined through 2012–13 and then rose sharply. By 2015–16, caseloads of this group had risen 5.7 percent compared with 2005–06. But the two other groups increased more substantially. Pre-K students enrolled in special education classes rose by 16.7 percent due to increases in autism. The over-18 group grew an astonishing 80 percent over the 10 years

While caseloads were increasing, AB 602 funding was not. Figure A.2 illustrates, both in real (inflation-adjusted) and nominal dollars, that special education funding per special education pupil has fallen since 2007.

FIGURE A.2
Special education funding per student with disability has fallen since 2007



SOURCE: CDE CASEMIS and funding data.

The figures reveals a major weakness of the AB 602 model: Funding rates are static, changing only by cost-of-living adjustments from year to year. But the special education caseload is dynamic and changes can affect district costs significantly. Below, we estimate the impact of the changing special education population on district costs.

Caseload growth and the mix of disabilities affects costs

The rapid rise in the number of children diagnosed with autism has made headlines in recent years. This growth reflects a more general trend in California of students being diagnosed with more complex and expensive disabilities. To illustrate the impact of this trend on special education costs, we used estimates of educational costs by disability category (Augenblick, Palaich and Associates 2011). There are two important caveats to this data. First, the data are old—costs are from 1999–2000. Since inflation has increased these costs, our estimates are likely somewhat low. Second, most disability categories contain students who require extensive and expensive services and those whose disabilities are moderate and less expensive. Thus, average costs make assumptions about the proportion of higher cost students in each category and we do not know how the study data compares with California's in this regard.

These uncertainties aside, our analysis is very simple: We multiplied the average cost estimates times the number of students identified in each disability category. We used the same costs in 2006–07 as in 2015–16. That way, any difference in total costs would be attributable entirely to the changing number of students and mix of disabilities. Appendix Table A.1 shows the outcome of this analysis. Costs increased $1.1 billion over the 10 years between 2006–07 and 2015–16, or 13.7 percent. Caseload growth discussed above accounts for 8.1 percent of this change, or about $670 million. The other 5.6 percent, or $460 million, is due to the mix of disabilities.

TABLE A.1
Increases in autism and other health impairments boost special education costs (costs in millions)

	Number of Students		Change in	Standardized Costs		Change in
	2006–07	2015–16	Caseloads	2006–07	2015–16	Costs
Autism	39,706	97,156	144.7%	$746	$1,826	$1,080
Emotional Disturbance	27,073	24,311	-10.2%	$383	$344	($39)
Hearing impairment/deaf	12,479	13,767	10.3%	$200	$220	$22
Intellectual Disability	43,522	43,913	0.9%	$655	$661	$6
Multiple Disability	5,673	6,620	16.7%	$114	$133	$19
Orthopedic Impairment	15,429	11,745	-23.9%	$247	$188	($59)
Other Health Impairment	43,492	83,361	91.7%	$575	$1,103	$528
Specific Learning Disability	306,938	288,294	-6.1%	$3,241	$3,044	($197)
Speech or Language Impairment	178,597	159,750	-10.6%	$1,957	$1,751	($206)
Traumatic Brain Injury	1,779	1,691	-4.9%	$29	$28	($1)
Visual Impairment	4,807	3,665	-23.8%	$90	$69	($21)
Total	679,495	734,273	8.1%	$8,236	$9,365	$1,129

SOURCES: Caseloads from California Department of Education, December counts. Cost data from Augenblick, Palaich and Associates 2011.

NOTE: Cost data are based on national cost information from 1999–2000 and have not been adjusted for inflation or other factors. Costs may not add up to total due to rounding.

This overall cost increase is about the same as the jump in the estimated cost of serving autistic students in California, which has a relatively high average cost. According to our model, costs associated with the large increases in the number of autistic students and students diagnosed with "other health impairments" were partially offset by significant reductions in students identified with specific learning disability (-6.1%) and speech and language impairments (-10.6%). Since these are the two largest disability groups, the cost savings from these reductions is significant. Nevertheless, the changing mix of disabilities accounts for about 40 percent of the estimated cost increases schools experienced in the past 10 years.

Other State Special Education Funding Programs

In addition to the AB 602 formula, the state delivers funding through three additional major funding programs: funding for mental health services, infant and preschool programs, and an out-of-home adjustment to the AB 602 formula. In the discussion below, we identify important issues for the Legislature and Governor to consider as they debate reformulating special education funding.

Merge mental health fund into base grants

This formula supports the provision of mental health services to special education students. Funds are allocated to SELPAs based on the total ADA of districts in each SELPA—the same as the AB 602 formula. In 2014–15, the budget included $357 million for mental health services.

Mental health services are provided to students with special needs to help them succeed in school. Students with emotional problems, for instance, may be assessed as needing mental health services under special education if those problems interfere with their ability to learn. Similarly, students with other disabilities may receive mental health services as a complement to other services if they are needed.

Until 2011, county mental health services agencies were paid by the state to administer mental health services to special education students. These county agencies also provide mental health services under the state Medi-Cal program. In 2011, the state transferred responsibility for serving students with special needs and funding to local education agencies. The new K-12 categorical funds may only be used for mental health services for special education students. The restriction on using funds only for mental health services was supposed to be temporary. The enabling legislation expressed the state's intent that it remain in place for only two years. However, the restriction remains in effect as part of the 2016–17 Budget Act.

Restrictions significantly reduce local flexibility

The limitations on the use of mental health funds create several problems at the local level. Districts may not use funds to address mental health issues of students who are not identified as eligible for special education services, but who may become identified without help. School-level models for addressing student behavior and mental health needs create a spectrum of prevention and early intervention services that meet the needs of all students—special education or not. As a consequence, restricting the use of these funds makes it more difficult for districts to implement these models and may encourage districts to identify students for special education in order to use mental health funding to pay for services.

In addition, requiring SELPAs to spend a set amount for mental health services implies that the state allocation provides the minimum amount districts need to meet the needs of students. Given the diversity of the state, it is unlikely that one formula works for all districts. What seems more probable is that the spending rules have no effect on the spending of districts that experience a significant need for mental health services. But in districts with relatively low need for services, districts struggle to spend mental health fund allocations. Indeed, the California State Auditor found two of four districts reviewed had balances of unspent state mental health funds.[1]

Most special education educators we interviewed thought the transfer of responsibilities for mental health services was a good change. Most significantly, educators felt they were on the periphery of decisionmaking over mental health services before the transfer. Now they have responsibility and control over those decisions, which gives them a more complete picture of student needs and how to address them. Most educators we interviewed felt that the separate distinction should be eliminated and that funds should be combined with other AB 602 funds. Some did not, however. Their rationale for maintaining separate grants were based on the importance of mental health services and the significant need in some communities.

The principles underlying LCFF, however, would place decisions about the best use of funds at the local level. If mental health needs in a community are urgent, educators, teachers, and parents should debate how to fund those services. But if the need for mental health services is relatively modest, districts should be able to spend unused funds on services with greater returns for students. This is the essence of local control and it should extend to special education and mental health services.

[1] California State Auditor, *Student Mental Health Services Some Students' Services Were Affected by a New State Law, and the State Needs to Analyze Student Outcomes and Track Service Costs*, 2015

Out-of-Home Care Funding

The Out-of-Home Care (OOHC) formula adjusts district funding allocations to account for students with special needs who reside in group homes or other licensed community institutions (LCIs). In 2014–15, the OOHC formula distributed $146 million to SELPAs. The funds may be used for any special education cost. They are not required to be spent on students residing in LCIs who attend private special education schools (known as nonpublic schools). The formula was established in 2006, replacing a program that supplied 100 percent funding for students placed in nonpublic schools.

The OOHC formula recognizes that LCIs are not evenly distributed across the state, but many students residing in these facilities receive special education services. The formula has two parts. One distributes funds based on the number of students attending six types of facilities: foster family homes, small family homes, foster family agencies, skilled nursing facilities, intermediate care facilities, and community care facilities.

The second part bases funding for students in group homes based on the number of beds in each facility. The amount distributed per bed uses a 14-level rate classification level (RCL) developed by the state Department of Social Services to license group homes. The RCL reflects the intensity of care and social and mental health services available at each facility. Funding ranges from $599 for the lowest RCL facilities to a maximum of $24,000 for the most intensive type of group home or skilled nursing facility.

The largest component of the formula is group homes: 75 percent of OOHC funds are distributed based on the number of beds in these facilities. Indeed, without group homes, the need for a separate formula for the remaining institutions would be dramatically reduced. A few SELPAs have a disproportionate number of group homes located in their service areas, leading to large OOHC allocations for those SELPAs. The average SELPA receives $27 per ADA under the OOHC formula. The 11 SELPAs that receive more than $50 per ADA receive an average of $104 per ADA. Pasadena Unified SELPA was allocated $252 per ADA—the highest in the state. The wide variation in funding levels illustrates how the location of group homes affects the distribution of special education students.

Pay for actual residence, not for capacity

Recently passed legislation is expected to significantly reduce the number of group home placements and eliminate critical data used in the formula. Assembly Bill 403, enacted in 2015, will eliminate the RCL system as part of an effort to reduce the use of group homes. Instead, county foster-care programs will provide needed mental or social services to children in family settings. These settings could be a student's home, a relative's home, or other foster-home settings. The Department of Social Services expects the number of students placed in group homes to fall perhaps 50 percent once the new system is implemented. Placements in group homes also should be shorter duration. The 2016–17 Budget Act continues the use of old RCL data while the new law is implemented.

The state should monitor the implementation of AB 403 to determine whether there is a continuing need for the Out-of-Home Care adjustment. If group home placements fall by 50 percent as envisioned, the average would fall to $16 per ADA and only six SELPAs would receive more than $50 per ADA. It seems likely, though, that the decline in group home use will not occur evenly across the state, which could change which areas receive the most from the OOHC. Should group home use fall in a way that results in a more even distribution of funds, the state may want to phase out this funding program.

One change that could be made now is to pay for the actual number of students residing in group homes instead of the existing bed capacity. This change is appropriate because data indicates the state is paying for about twice the number of group home beds than are actually used. Data from the Department of Social Services show that only 3,786 foster children resided in group homes on July 1, 2014. CDE data indicate that the OOHC formula pays for more than 7,400 group home beds, which means that only half of all beds are actually filled at any one time.

In 2014–15, the state distributed $108 million to recognize the potential special education costs of students residing at group homes. This suggests savings in the range of $50 million if the state paid for students who actually reside in group homes and not the capacity of the homes. Since this formula is designed to recognize that licensed community institutions can significantly alter the distribution of students with special needs (and costs), it makes sense to pay only for actual students and not capacity.

State funding for pre-K programs

Federal law requires districts to serve children ages 0–5 with identified disabilities. The 2014–15 education budget supplied $71 million in state funds for services to infants (children ages 0–2) with certain disabilities. The budget specifies that funds are to serve the number of students above levels that were enrolled during 1992–93. State funding for preschool-age students with disabilities (ages 3–4) are included in the AB 602 formula.

There are several other grants that specifically fund services to very young children. Federal funds channeled through the Department of Developmental Services (DDS) supplied $14.2 million to SELPAs in 2016–17 for children ages 0–2. Federal special education funds also supplied $35.5 million for preschool programs in 2015–16.

Requirements for services to pre-K children are similar to those of school-age students. Children are eligible for free and appropriate public services delivered in the least restrictive environment. Responsibility for serving infants with disabilities is shared with DDS. Districts assume sole responsibility for assisting children when they reach age three. CDE data show that 54,900 children were enrolled in special education infant and preschool programs in 2014–15.

The state infant funding formula has significant disparities

The infant program funding formula dates back to 1992, and suffers from two important problems. First, it is based on a rigid formula that calculates funding based on the setting in which children are served. AB 602 eliminated a similar formula that was used to calculate funding for all other special education programs.

Second, the formula also results in widely disparate per-ADA rates to districts. District preschool programs that have not grown much since 1992 receive a small amount of additional dollars when averaged over the entire preschool population. Those that have grown significantly receive much higher amounts. For instance, Palo Verde SELPA in Riverside County receives $4,710 for each infant enrolled. At the high end, Pomona Unified SELPA receives $19,898 for each infant.

State funding discourages districts from serving pre-K students

The Statewide Special Education Task Force called for a bigger emphasis on early services to children, in part because early services may reduce the severity of some disabilities. Studies of preschools suggest that participation may help children with disabilities enter kindergarten with roughly the same mathematics and language skills of other students.[2] There also is evidence that early services to infants may significantly reduce the severity of some types of disabilities, such as autism.[3] Thus, these services can be cost-effective for districts and hugely beneficial to children.

Yet, the state's funding of services to pre-K students discourages districts from serving these children. Specifically, the state does not include this population in calculation of ADA. This requires districts to pay for infant and preschool from state and federal special education dollars. Had pre-K students with special needs counted towards ADA, districts would have received base funding for these students as they do for all other K-12

[2] Carlson et al. 2008.

[3] See for example Koegel et al. 2013.

students. As a result, when pre-K caseloads rise faster than K-12 ADA, as they did over the past decade, unmet special education costs grow very quickly.[4]

There also is evidence that schools could serve more pre-K students. DDS data show there are 30,000 infants in regional special education programs, but only about 6,000 are enrolled in district or county school programs. Because the responsibility for helping infants with special needs is shared with DDS, it's difficult to determine how well districts are doing their part. For preschool students, however, the data suggest that one in five special education kindergarten students (about 6,400 children) are first identified in kindergarten and did not receive services in preschool classes.[5]

Support special education pre-K students like other students with disabilities

We see two options for addressing the financial issues posed by children ages 3–4 with disabilities. If the state funded preschool children like other special education students, the state could make it financially easier for districts to place a priority on enrolling these young children. This would require the state to count students towards district ADA so they would receive a base grant for each pre-K student, plus supplemental and concentration funds if appropriate. Including them in ADA would also recognize these children in the AB 602 formula.

Providing base, supplemental, and concentration grants would cost the state more than $500 million. While this is a significant sum, it could be offset by lowering AB 602 rates for districts with very high rates and using the freed-up funds to pay for base grants for pre-K students in those districts. In that way, the state could reduce disparities in AB 602 grants and reduce the cost of equalization while not decreasing funding for any district.

Another alternative would boost the supplement provided to state-funded preschool programs when they enroll children with disabilities. This would create a stronger incentive to serve all children in the same setting. It also would avoid the issue of expanding the mission of K-12 to include preschool. With either alternative, the most important reason to make a fix is to eliminate any funding disincentive for serving children at an early age. By creating fiscal incentives for districts to serve these children, California could reap the long-term benefits that come with addressing disabilities at an early age. This is consistent with the state task force recommendation and lessons from research.

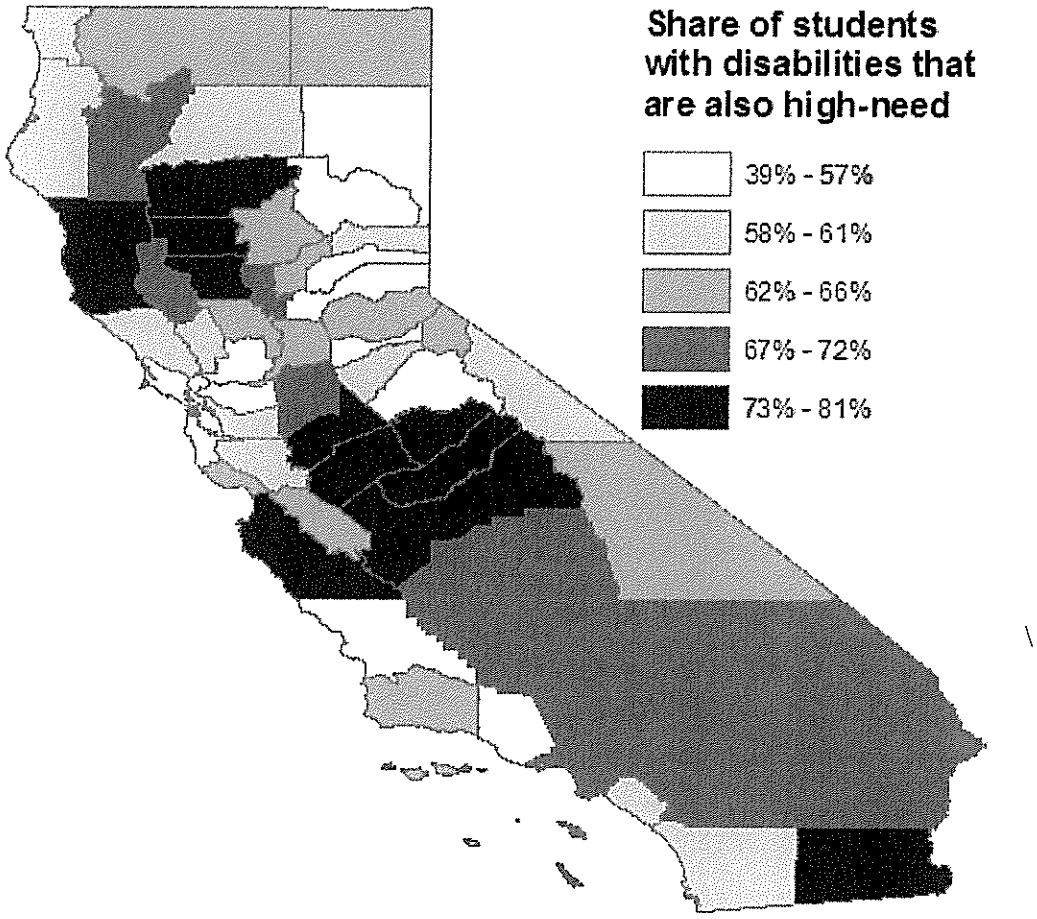
[4] In 2015–16, schools served 52,600 pre-K students (mostly preschool students), an increase of 7,500 from 2005–06.

[5] 2015–16 counts of students with special needs show a 20% increase in the number of five-year-old students with disabilities compared with the number of four-year-old children attending preschool in the previous year.

Appendix B. Additional Figures for Analysis of Distribution of Students with Disabilities

Figure B.1 illustrates that in 20 percent of counties more than 72 percent of students with special needs are high-need.[6] These students generate not only base grants through the LCFF as all students with special needs do, but also supplemental grants and concentration grants in districts where more than 55 percent of students are high-need.[7]

FIGURE B.1
Share of students with special needs that are high-need, California Counties



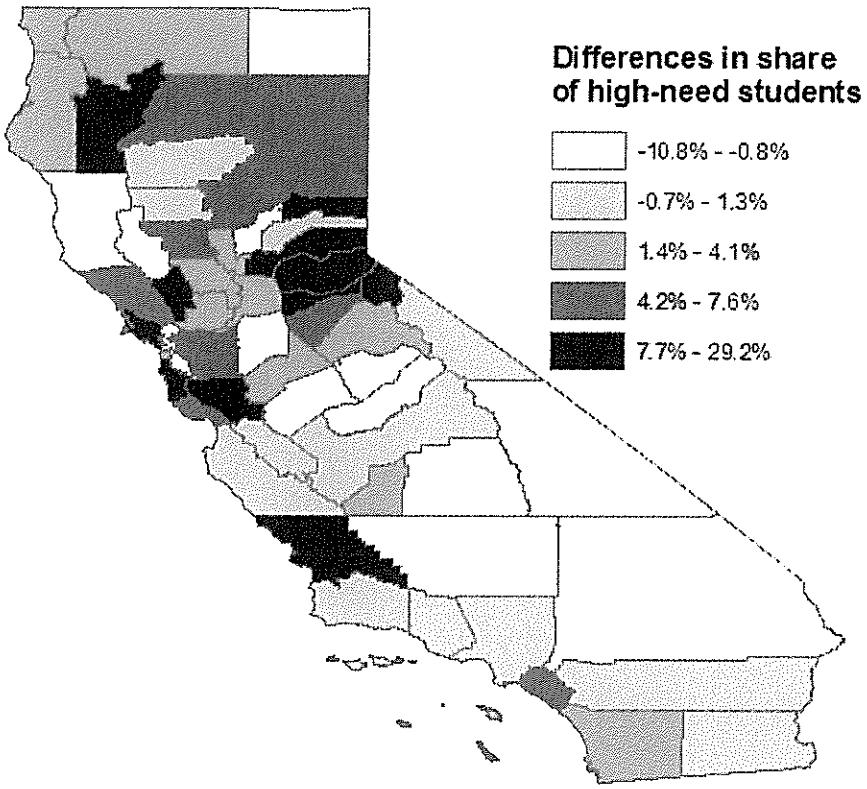
SOURCE: Authors' calculations from 2014–15 CASEMIS and LCFF snapshot
NOTE: Students with disabilities include preschool and 5th year seniors (numerator). Denominator is students with disabilities.

[6] The term "high-need" is synonymous with "unduplicated"
[7] If 56% or more of a district's students are high need, concentration grant funding is generated by counting the numbers of high need students over the 55% threshold and multiplying the base grant by 0.50.

This map gives us a general sense of where the LCFF dollars generated by students with special needs are highest. At the SELPA level, the share of students with special needs that are English Learners ranges from 1 to 75 percent, with a mean of 27 percent. The share that are economically disadvantaged ranges from 8 to 92 percent, with a mean of 53 percent. At the county level, the shares of students that are ELs range from 1 to 56 percent with a mean of 24 percent. The share that are economically disadvantaged ranges from 36 to 83 percent, with a mean of 65 percent.

Because the share of high-need students in the K-12 population varies by county as well, this map is not a good guide for the extent to which high-need students with special needs have disproportionately been identified.

FIGURE B.2
Differences in share of high-need between special education and K-12 students by county



SOURCE: Authors' calculations from 2014–15 CASEMIS and LCFF snapshot
NOTE: Students with disabilities include preschool and 5th year seniors (numerator). Denominator is students with disabilities.

Figure B.2 illustrates the percentage point difference between the share of students with special needs that are high-need and the share of K-12 students overall that are high-need at the county level. Counties where the general K-12 student population and the special education population have the same percentage of high-need students have a difference of zero, and are represented by orange in the map. We find counties range from -11 to 29 percentage points, illustrating that in some counties, EL, economically disadvantaged, and foster youth are underrepresented among students with special needs relative to their share in the student population. But in most counties, they are overrepresented.

Costs of disability types

It is difficult to assess the true cost of serving particular types of disabilities. Many of the more common disabilities, such as specific learning disability and autism, range in severity and therefore in their intensity of services. Further, models for serving students with disabilities can vary based on SELPA or district practices.

We examined two proxies for cost: (1) the share of time a student spends in a regular classroom; and (2) the share of time a student spends in regular schools. As Table B.1 illustrates, the percentage of time students with IEPs are served in a regular classroom varies significantly by disability type. California's current target is to have 49.2 percent of students with special needs in regular class settings 80 percent of the time. For most classes of disability, over 90 percent are served in regular schools. The disability classifications where a regular school setting is least likely are emotional disturbance (74%), multiple disability (75%), deafness (69%), deaf-blindness (78%).

TABLE B.1
California students with special needs by disability type and service setting

Disability Type	Count	% Time in Regular Class Setting	% in Regular School
Specific Learning Disability	284,196	72%	99%
Speech or Language Impairment	160,071	81%	99%
Autism	90,794	45%	92%
Other Health Impairment	76,122	69%	97%
Intellectual Disability	43,740	25%	90%
Emotional Disturbance	24,214	42%	75%
Orthopedic Impairment	12,293	40%	84%
Hard of Hearing	10,325	63%	97%
Multiple Disability	6,435	14%	75%
Visual Impairment	3,864	59%	93%
Deafness	3,531	32%	69%
Traumatic Brain Injury	1,744	50%	90%
Established Medical Disability	506	25%	84%
Deaf-Blindness	116	19%	78%

SOURCE: Authors' calculations from 2014–15 CASEMIS.

Disabilities where more than half of students are served outside a regular classroom and more than 10 percent are placed outside a regular school are all low-incidence (emotional disturbance, orthopedic impairment, multiple disability, and deafness). It is not clear that serving students with disabilities outside regular school settings or outside regular classrooms is always more expensive. For example, a full-time aide for one student in a regular classroom setting and regular school could cost more than another kind of placement. However, whenever possible, districts are required to place students with IEPs in the least restrictive environment.

Appendix C. Using Supplemental and Concentration Grants for High-Need Students with Disabilities

A greater percentage of high-need students are found among California students with special needs than among the K-12 population overall (70% versus 63%). A recent disagreement between the Los Angeles Unified School District (LAUSD) and the California Department of Education illustrates the potential difficulty of commingling funding sources for special education with those for high-need students, despite the high degree of overlap between the two populations. This example has to do with how LCFF funding for high-need students is counted if they are also special education students.

The LCFF sends extra funds to districts on a per-pupil basis for economically disadvantaged, English Learner students, and foster youth. This funding in the form of supplemental and concentration grants is meant to be spent on programs and services that benefit high-need students. In districts where more than 55 percent of students are high-need, the funding can be spent on districtwide programs.

Because LCFF is being phased in over many years and because policymakers acknowledge that the requirement to spend supplemental and concentration grants on high-need students might require a shift in priorities, districts have to make proportionate increases to spending on these students over time.

In the first year of the LCFF, districts had to document what they spent the previous year on high-need students. This figure was used to set the base for determining what percentage (minimum proportion or MPP) of new funding must "increase or improve" services for high-need students. Having a high base should reflect that a district already prioritized high-need students and would decrease the percentage of new funds that must be spent on high-need students.

A complaint filed by Public Advocates alleged that the LAUSD shortchanged high-need students by inflating its estimate of the dollars spent on high-need students in the pre-LCFF year. The LAUSD assumed that because 79 percent of students with special needs are high-need, the district could count 79 percent of its special education spending ($450 million) as part of the investment the district was already making in high-need students before LCFF. Further, 84 percent of LAUSD students are high-need.

The complaint argued that because special education is provided to all eligible students, none of the $450 million can be counted as part of the LAUSD's base-year spending on LCFF. LAUSD countered that students with special needs are not "all" students. At this point, CDE determined that LAUSD was not interpreting "all" the way that the school finance law intends, but suggested that districts can identify special education services that are directed specifically to high-need students and not other special education students as meeting the intent of the LCFF funding law. The LAUSD's 2016–17 LCAP indicates that the district is setting aside $245 million which will be allocated pending the district's submittal of reconsideration to CDE.

Appendix D. Special Education Financing in Other States

This appendix provides greater detail on how other states fund special education. It first identifies the issues states appear to be balancing in establishing their special education finance models. It then categorizes states into three different models. Finally, it discusses unique features that some states have implemented as part of recent changes to their special education financing systems.

To examine special education financing in other states, we reviewed existing overviews and other relevant literature. In addition, we spoke with senior administrators in 13 states to discuss how they distribute resources and, in some cases, the rationale for recent changes made to special education financing programs. We also contacted individuals at the Council of Chief State School Officers association and the Education Commission of the States.

Challenges

All states must comply with the federal mandate to provide free, appropriate public education to students with disabilities. In return, they receive federal funding under the Individuals with Disabilities Education Act (IDEA). In addition to federal resources, states supplement these dollars with state resources. How these funds are distributed varies. States have chosen different approaches to address the challenges of trying to provide resources for students with disabilities. In general, there are four issues that all states must confront.

- **Adequacy and equity**. Providing education services to students with disabilities can be costly and is not optional. While state and federal dollars provide significant support, local school district revenues often account for a major share of the costs. We found only one state, Wyoming, where local districts did not shoulder some of the special education cost burden. Officials in each of the states we contacted noted that local districts complained that state and federal support was inadequate. Most states aim for a model that is equitable, although how equity is defined varies.
- **Overidentification.** Any state program can create incentives that skew how local districts behave. How a state funds special education could encourage districts to overidentify students with disabilities in an effort to maximize state resources. California's switch from a system that provided funding based on the number of students with disabilities to one based on ADA was a reform designed to address this challenge (Lipscomb 2009). However, basing funding on total enrollment could encourage underidentification.
- **Economies of scale**. Though significant, the number of students with disabilities represents a minority of the K-12 population and they are not distributed evenly. Further complicating matters is the fact that the package of services are by design individualized. Therefore, finding a way to align needed services for what can be a small number of students in a cost-effective manner can be difficult. Rural states and districts are particularly challenged in this regard.
- **Low incidence/high cost students.** Essentially a subset of the economies of scale challenge, states must cope with how, or whether, to support districts for the very small number of students for whom providing services can be extremely costly. It is not impossible, for example, for a single student's IEP to cost tens or even hundreds of thousands of dollars. Covering the cost of such services would have a tremendous impact on any district and could be particularly hard for a relatively small one.

Varied funding models, similar structures

How states fund special education is a function of their overall K-12 finance system and the degree to which they balance their response to the above challenges. Not surprisingly, there are tradeoffs and no single approach mitigates all possible concerns. The following discussion identifies some common features of programs in other states and categorizes the different models used to provide funds to local districts. States use a variety of funding models in an effort to provide equal—and from the local perspective inadequate—support. Some take steps to reduce the incentive to overidentify. There is more commonality in administrative structures, with the majority of funds distributed directly to local districts. Other states use other mechanisms—special schools, regional centers, and risk pools—to address the issues of economies of scale and high-cost students.

Funding models

The Education Commission of the States recently published an overview of how the 50 states fund special education which found three broad funding models: formula, categorical, and reimbursement.[8] The findings are summarized in Table D.1.

Thirty-three states include special education resources as part of their primary K-12 funding to local districts. By making special education part of the formula that generates district funding levels, this model avoids the "categorization" of the funding—that is, the requirement that funds be tracked as available only for special education expenses.

All states contend that their goal is to provide special education dollars in an equitable manner, but the way they operationalize equity in a formula differs. Some states base their special education distribution on the number of students identified with disabilities. Other states use total attendance numbers to minimize the incentive to overidentify.[9] The amount included in the formula can be weighted based on the notion that certain types of students are likely to increase the need for resources. States using the number of students with disabilities, for example, may include weights for disability severity. South Dakota divides students with disabilities into six different levels (from "mild disability" to "multiple disabilities"). Oklahoma uses 11 different categories (vision impaired, learning disabled, etc.). Texas bases its counts on the environment in which services are provided (homebound, hospital class, mainstream, etc.) In each case, the formula assigns a different weight, resulting in different funding levels.

Finally, some states cap the share of students a district can count while others establish a floor. Washington caps the number of students with disabilities at 12.7 percent of enrollment. Missouri provides additional dollars for the number of students with disabilities counted above 12.6 percent of enrollment.

[8] Millard and Aragon 2015 appears to be the most recent overview. For earlier snapshots of how states approached special education financing, see Richmond and Fairchild 2013, Ahern 2010, Parrish et al. 2003, and Parrish and Chambers 1996.

[9] Some states that use counts of students with disabilities also seek to discourage overidentification by capping the total. For example, Maine caps special education student counts at 15% of total enrollment for funding purposes (Millard and Aragon 2015).

TABLE D.1
Funding for special education in other states

	Variations	States
Formula model	Allocation can be based on census, student with disabilities counts, or calculated in terms of staffing units. Can be weighted by other elements such as risk factors (for census based) or disability severity (for special education student counts). Some states place a cap on counts, others a floor.	Alabama, Alaska, Arizona, Connecticut, Delaware, Florida, Georgia, Idaho, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Mississippi, Missouri, New Hampshire, New Jersey, New Mexico, New York, North Dakota, Ohio, Oklahoma, Oregon, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Virginia, Washington
Categorical	Allocation can be based on census, student with disabilities counts, or calculated in terms of staffing units. Some weight by disability severity. Some states place a cap on counts.	Arkansas, California, Colorado, Hawaii, Illinois, Massachusetts, Minnesota, Montana, Nevada, North Carolina, Pennsylvania, West Virginia
Reimbursement	Rates vary from 27% to 100% of qualified costs incurred	Michigan, Nebraska, Vermont, Wisconsin, Wyoming

SOURCES: Millard and Aragon 2015.

The second most common approach to special education financing is the use of a categorical program that establishes a separate pool of dollars distributed to districts. California and 11 other states use this method. Like the formula approach, each district's allocation is based on either a count of students with disabilities or total student enrollment. These amounts can be weighted based on the severity of disability.

Only five states use a reimbursement model to support district special education costs. Nebraska, Wisconsin, and Wyoming establish criteria for eligible cases and districts then submit claims for costs incurred. In Nebraska and Wisconsin, districts are reimbursed on a prorated basis depending on how much the legislature appropriated for special education. Wyoming reimburses 100 percent of eligible expenses. Michigan uses student counts to approximate costs and then reimburses districts. Vermont basis reimbursement on staffing levels.

Administrative structures

Though there is considerable variation in how other states calculate the share of special education funds for local districts, the structure they use to administer special education is relatively similar. We did not identify any other state that uses an intermediary to redistribute funds similar to the SELPAs in California. Instead, states distribute dollars directly to districts, which in turn decide how to allocate funds. To address economies of scale and low-incidence/high-cost students, states have established specific programs to provide necessary services in a cost-effective manner. These are discussed below.

Many states, like California, have state-run schools to provide education and services to blind or deaf students. By one count, there are at least 38 state-run schools for the blind, some having been established in the 19th century.[10] These state-run schools represent a response to the challenge posed by low-incidence disabilities. In theory, it is more cost-effective to establish a central institution for the provision of services to a student with a disability rather than expecting an individual school district to acquire the training and personnel for a single student. As noted, however, that theory dates back more than a century and the cost of running special schools is relatively high on a per-student basis. Special schools also run counter to the notion of placing students in the least-restrictive environment.

[10] The Maryland School for the Blind, for example, was established in 1853. A list of schools for the blind in the United States can be found on the Texas School for the Blind and Visually Impaired website: http://www.tsbvi.edu/instructional-resources/2785-schools-for-the-blind-in-the-united-states.

In a similar vein, most states have intermediary agencies to provide specific expertise to school districts.[11] The nature of these educational organizations and the services they provide varies. Kentucky has regional education cooperatives offering a broader array of services. This structure provides the infrastructure for the state's nine special education service regions.[12] New Jersey has four learning resource centers for special education serving as information clearinghouses and providing technical assistance.[13] Indiana's special education cooperatives offer services directly to students of their member districts. Some resources for these centers may be provided by the state, but most are funded by local districts through membership or service-purchase models. Pennsylvania replaced its county offices of education with Intermediate Units in 1970 to provide both instruction and operational support to school districts, including special education.[14]

Only in California is there an intermediary responsible for redistributing funds to local districts. Oregon's Education Service Districts may be the most similar structure, though their programs extend beyond special education. In Oregon, state funds are provided directly to the19 intermediary units, including resources for early intervention/early childhood special education and long-term care and treatment programs. These account for about five percent of total state education revenues.[15] Oregon law requires that 90 percent of Education Service District funds be spent on services to local districts. Recently, the state has allowed local jurisdictions to request that their respective regional districts pass through a portion of allocated funds in the form of cash, rather than services. Local districts can decide how best to spend these "flex funds."[16]

To address the relatively small number of students whose needs incur high costs, some states have established a separate pool of funds outside the regular flow of resources to districts, similar to California's Extraordinary Cost Pools. These high cost funds resemble the reimbursement models discussed above. In 2004, Iowa established the High Needs Risk Pool which provides assistance to school districts when the costs associated with an individual student exceed three times the statewide average per student for special education costs (Iowa Department of Education 2013). Like other reimbursement plans, if the total amount of claims exceeds available funds, which they typically do, the state reimburses districts on a prorated basis.

Recent reforms in other states

The distribution of special education resources in other states appears to be constantly changing. States often make incremental adjustments to their formulas, adjusting weights or criteria. Periodically, more dramatic change occurs as in 1998 when California shifted to a census-based system of allocating special education resources. Below are examples of some recent unique innovations in state special education funding:

- **Vouchers.** Beginning in 2016, parents of students with disabilities in Tennessee will be able to apply to the state for a special education voucher. The Individualized Education Act enables parents to set up accounts of approximately $6,300, funded by the state, which can be used to purchase special education services. To be eligible, students must have been enrolled in a Tennessee public school for two semesters. Parents must then enroll their child in a private school and waive their right to claim services under IDEA.[17]

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[11] See Moran and Sullivan 2015.

[12] See Kentucky Educational Cooperatives.

[13] See Special Education Learning Resource Center Network.

[14] The Pittsburgh and Philadelphia school districts serve as their own intermediate units. All other districts belong to one of the 27 other intermediate units. See Pennsylvania Association of Intermediate Units.

[15] See Oregon Transparency Project, Oregon Education Service Districts.

[16] According to the Lane Education Service District 2026-17 Local Service Plan, pass-through funds became available in the 2011–12 school year. About one-third of local districts requested cash in lieu of services.

[17] See the Tennessee Department of Education's description and frequently asked questions about the Individualized Education Act at https://www.tn.gov/education/section/iea.

- **Consolidation**. In 2015, Vermont passed legislation to reduce the number of school districts from 272 to about 50 or 60. The new law, H.361, removes small-district and hold-harmless provisions that provided disincentives for districts to consolidate. One of the arguments supporting H.361 was the high number of students with special needs who had to be served out of school and out of district. The intent is that larger districts will find it easier and less costly to provide special education services in the least restrictive environment because of more-favorable economies of scale.
- **Hybrids**. The above discussion describes different funding approaches and generally treats them as distinct and discreet. In practice, that does not have to be the case. In 2016, Minnesota replaced its reimbursement model with a new special education funding formula based on the recommendations of an earlier school finance work group (Minnesota Department of Education 2012). The new model provides support for high-incidence/low-cost students via a census count, weighted for district size and poverty concentration. Funding for low-incidence/high-cost students is calculated based on student counts, with three weighted disability tiers. Rhode Island represents a different hybrid model, rolling the vast majority of its special education funds into the K-12 base formula for districts. Relatively modest resources are reserved for reimbursement for low-incidence/high-cost students, which typically is distributed on a prorated basis. High cost is defined as five times the state special education cost average.[18]

[18] Based on conversation with Stephen Osborn, Chief for Innovation, Rhode Island Department of Education, Aug. 5, 2016.

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