



JEREMY M. MEYERS, Superintendent
DAVID M. TOSTON, Executive Director

Historical Allocation Plan Approvals

- Exhibit 1: Executive Summary – November 2011
- Exhibit 2: Executive Summary – April, 2007
- Exhibit 3: Executive Summary – October, 2005
- Exhibit 4: Executive Summary - November 2004
- Exhibit 5: Executive Summary - February 2004
- Exhibit 6: Executive Summary - June 2002
- Exhibit 7: Executive Summary - March 2001
- Exhibit 8: Executive Summary for 1999-2000 and 2000-2001
- Exhibit 9: Executive Summary for 1999-2000
- Exhibit 10: Executive Summary for 1998-1999
- Exhibit 11: Original AB 602 Task Force and Decision Making Process
- Exhibit 12: Original Background of Special Education Funding

Issue

The EDCOE SELPA Allocation Plan needs to be fixed for two significant reasons:

- 1) The SELPA is **declining in enrollment**. This resulted in an on-going shortfall of over \$200,000 in 2010-11. Per the Allocation Plan, this was funded with one time dollars from the Special Needs Pool in 2010-11, with the understanding that a permanent solution for 2011-12 would be found. The fiscal impact for districts was approximately \$10 per K-12 ADA. Agreement could not be reached on a solution. EDCOE agreed to fund the \$200,000 in 2011-12, with the understanding a **solution would be sought for 2012-13**. The problem continues in 2011-12, with the dollar amount **growing to \$243,000**.
- 2) Fixing the declining enrollment problem is compounded, because districts in the SELPA have **unequal funding rates**. This has long been a source of conversation within the Allocation Plan, with the result being a “hold harmless” provision for those higher rates. This hold harmless provision started in 1998-99 and has continued over time.

Background

As the SELPA declines in enrollment, the funding declines by \$634 per ADA (2010-11). Our Allocation Plan provides for a recapture of declining enrollment funds at the district rate of \$343. That leaves a gap of \$291 (2010-11 data but each year approximately \$300 gap). To close the gap, our choices are to use one time funds, reduce regional program operations or develop some type of per ADA reduction. The Allocation Plan specifies that we use one time funds from Special Needs in the first year of the reduction and then seek an on-going solution. Note that SELPA prior year guarantee of current or prior year ADA, shifts the impact of the decline to the following year.

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Chart #1

1		SELPA ADA	Gain/Loss	Year of Impact (delayed)	Est. Rate	State Recapture Est. Amount	District ADA recapture	\$ amount needing a Solution
2	a	b	c	d	e	f	g	h
3	2011-12			(195)	\$ (655)	127,741	(82,609)	45,132
4	2010-11	22,909	(195)	(509)	\$ (634)	322,804	(174,631)	148,173
5	2009-10	23,104	(509)	(179)	\$ (632)	113,068	(62,671)	50,397
6	2008-09	23,613	(179)					
7	2007-08	23,792	90					
8	2006-07	23,702						
9	2010-11 average district rate			\$ 174,631	509	\$ 343		
10	2010-11 state recapture			\$ 322,804	509	\$ 634		
11	Difference					\$ (291)		

Summary

- No consensus was reached in 2010-11 on a per ADA amount reduction (\$10 to \$11 per ADA).
- Districts were understandably concerned about a permanent reduction in funding.

Major Points of Discussion

- Why do some districts have higher rates? Is it time to consider removing the protection afforded many years ago when the plan was first implemented?
- Why aren't regional programs reduced as well – specifically those operated by EDCOE? EDCOE has maintained that EDCOE should not suffer a program funding shortfall for operating programs to serve districts' students. EDCOE has however historically absorbed the special education transportation shortfall. The gap between state funding (\$431,000) and costs is over \$1.1 million. If special education transportation funding is reduced by 50% in 2011-12, another \$215,000 shortfall will need to be addressed.

Proposal

We are proposing a solution for consideration that would do the following:

- Simplify the formula, by having all districts funded at the same rate.
- Recalculate rate each year based on SELPA base funding.
- *Base funding on prior year ADA with an adjustment for growth ADA in the current year.*
- Have a hold harmless provision of some kind for the previous high rate districts but computed as a flat dollar amount that is reduced over time.
- Reduce funding for districts for declining enrollment (@\$6 per ADA instead of \$11).
- Regional programs share in the declining enrollment adjustment as well.

Declining Enrollment Cumulative Adjustment

- Shared equally by each “pot” (Regional programs, district).
- To simplify, NPS “pot” which typically receives a small share, will not be included in the reduction.
- As declining enrollment reductions occur in the future, the loss is paid first year by the special needs pool (if funds are available), then base funding reduced in future years.
- As growth funds occur, they will be adjusted over time back to the levels reduced.
- In future years, if EDCOE regional allocation is reduced as a result of declining enrollment, EDCOE will make a recommendation on program reductions. The SELPA may decide to accept the program reductions or decide to not pass along the revenue reduction.

Chart #2

1		2011-12	% of Total	243,702
2	EDCOE Regional/Speech	6,657,192	45.61%	111,153
3	EDUHS Regional	375,817	2.57%	6,263
4	Ppines Regional	74,038	0.51%	1,243
5	District Base	7,488,032	51.31%	125,043
	Total	14,595,079	100.00%	243,702

COLA/Supplemental funding

The current formula provides for COLA and supplemental funding to be split among the “pots” as noted above. This formula recommendation assumes that this process will continue in the future, should COLA funds ever be received in our lifetime.

Per ADA Calculation

If the SELPA is declining:

The district base amount is the prior year base, less the district portion of any declining enrollment adjustment in the current year + the pro-rated share of COLA/Supplemental funding as noted above.

If the SELPA is growing:

The district base amount is the prior year base (which would include prior year growth) + pro-rated share of COLA/Supplemental funding as noted above. Any growth funds received will be treated as noted below.

Growth

If a district ADA increases in the current year, they will receive funding for the increase in ADA. Funding will be a one-time allocation added to the district prior year per ADA calculation. The rate used will be the current year district per ADA rate.

Funding for growth will come from one of two sources:

- If the SELPA grows and growth funds are not used for regional program funding, these funds will be used first.
- If no growth funds are available, funds will be provided from the special needs pool.

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Hold Harmless

If we divide the entire “pot” of district allocation (\$7.48 million in 2011-12, but only \$7.36 million is ongoing funding, 98%) by 2010-11 ADA (21,936 ADA but final formula would use 2011-12 ADA), the average rate is \$335.66. Using 2011-12 funding as a base and reducing all districts by 98% (shortfall), we then compare this amount to the rate computed based on the average of \$335.66. This computation results in a flat dollar amount “hold harmless provision”. *Note we are using 2010-11 ADA for simplicity, but would update with 2011-12 ADA.*

Chart #3

1	2011-12 District Allocation Amount			7,488,032					
2	Prior Year Cum Dec enrollment			(125,043)					
3	Subtotal	7,362,989	7,488,032	0.98330	7,362,989				
4	2010-11 P-2 ADA	(to be updated with 2011-12)		21,935.79					
5	Amount per ADA			\$ 335.66099					
6	HOLD HARMLESS AMOUNT CALCULATION	2011-12 Funding (May Estimate doesn't include growth)	Pro-Rated	2010-11 ADA P-2 (to be updated w 11-12)	2010-11 ADA x New Rate	2011-12 Funding less Recalc amount at New Rate	Increase or decrease per ADA	Hold Harmless ADA	Hold Harmless Amount
7	a	b	c	d	e	f	g	h	i
8			0.9833		\$ 335.66099	e-c			col f
9	Black Oak Mine	547,998	538,847	1,551.77	520,869	(17,978)	(11.59)	1,551.77	17,978
10	Buckeye	1,530,359	1,504,803	4,572.64	1,534,857	30,054	6.57	-	-
11	Camino	145,157	142,733	433.86	145,630	2,897	6.68	-	-
12	EDUHS	2,197,105	2,160,415	6,564.42	2,203,420	43,005	6.55	-	-
13	Gold Oak	182,335	179,290	503.18	168,898	(10,392)	(20.65)	503.18	10,392
14	Gold Trail	174,188	171,279	520.47	174,701	3,422	6.57	-	-
15	Indian Diggings	5,775	5,679	17.23	5,783	104	6.04	-	-
16	Latrobe	62,244	61,205	162.58	54,572	(6,633)	(40.80)	162.58	6,633
17	Mother Lode	398,507	391,852	1,175.49	394,566	2,714	2.31	-	-
18	Pioneer	127,970	125,833	369.76	124,114	(1,719)	(4.65)	369.76	1,719
19	Placerville	461,611	453,903	1,190.26	399,524	(54,379)	(45.69)	1,190.26	54,379
20	Pollock Pines	246,487	242,371	666.29	223,648	(18,723)	(28.10)	666.29	18,723
21	Rescue	1,323,282	1,301,184	3,953.78	1,327,130	25,946	6.56	-	-
22	COE Charter	81,128	79,773	242.46	81,384	1,611	6.64	-	-
23	Silver Fork	3,886	3,821	11.60	3,894	73	6.29	-	-
24	Rounding	-	-		(2)	(2)		-	2
25		7,488,032	7,362,988	21,935.79	7,362,988.00	-	-	4,443.84	109,826

The hold harmless provision would be phased out over time. We are proposing a five-year plan for consideration. The chart below shows the impact of this provision. In 2017-18, there will be no hold harmless.

Chart #4

SPECIAL EDUCATION FUNDING- 2012-13 AB602 PROPOSAL

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1		Phase in # hold harmless over five years				
2						
3						
4		a	b	c	d	e
5		2012-13	2013-14	2014-15	2015-16	2016-17
6	HOLD HARMLESS	100%	0.80	0.60	0.40	0.20
7		hold	col I	col I	col I	col I
8		harmless	pro-rated	pro-rated	pro-rated	pro-rated
9	Black Oak Mine	17,978	14,382	10,787	7,191	3,596
10	Buckeye	-	-	-	-	-
11	Camino	-	-	-	-	-
12	EDUHS	-	-	-	-	-
13	Gold Oak	10,392	8,314	6,235	4,157	2,078
14	Gold Trail	-	-	-	-	-
15	Indian Diggings	-	-	-	-	-
16	Latrobe	6,633	5,306	3,980	2,653	1,327
17	Mother Lode	-	-	-	-	-
18	Pioneer	1,719	1,375	1,031	688	344
19	Placerville	54,379	43,503	32,627	21,752	10,876
20	Pollock Pines	18,723	14,978	11,234	7,489	3,745
21	Rescue	-	-	-	-	-
22	COE Charter	-	-	-	-	-
23	Silver Fork	-	-	-	-	-
24	Rounding	2	2	1	1	-
25	Total	109,826	87,860	65,895	43,931	21,966
26		Cum Total	197,686	263,581	307,512	329,478

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For those districts below the average rate, they will be increased proportionately over time. See chart below. In 2017-18, they will be fully funded.

Chart #5

1		Phase In - Increases over five years					
2							
3							
4		f	g	h	i	j	k
5		2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
6	Increase	0%	0.20	0.40	0.60	0.80	100%
7		Increase					col l
8			pro-rated	pro-rated	pro-rated	pro-rated	pro-rated
9	Black Oak M	-	-	-	-	-	-
10	Buckeye	-	6,011	12,022	18,032	24,043	30,054
11	Camino	-	579	1,159	1,738	2,318	2,897
12	EDUHS	-	8,601	17,202	25,803	34,404	43,005
13	Gold Oak	-	-	-	-	-	-
14	Gold Trail	-	684	1,369	2,053	2,738	3,422
15	Indian Diggi	-	21	42	62	83	104
16	Latrobe	-	-	-	-	-	-
17	Mother Lod	-	543	1,086	1,628	2,171	2,714
18	Pioneer	-	-	-	-	-	-
19	Placerville	-	-	-	-	-	-
20	Pollock Pine	-	-	-	-	-	-
21	Rescue	-	5,189	10,378	15,568	20,757	25,946
22	COE Charter	-	322	644	967	1,289	1,611
23	Silver Fork	-	15	29	44	58	73
24	Rounding	-	-	-	-		-
25	Total	-	21,965	43,931	65,895	87,861	109,826
26		Cum Total		65,896	109,826	153,756	197,687

Recommendation for 2012-13

- Cumulative declining enrollment shortfall is shared on a percentage basis between regional programs and district base amount.
- All districts funded at one rate in 2012-13 and into the future. The rate is computed by taking the current year district base amount, less pro-rated share of declining enrollment + any pro-rated share of COLA/Supplemental funding, and dividing by prior year ADA.
- Growth ADA funded as one time allocation, using special needs pool or any growth funds received by the SELPA, if the SELPA is growing.
- A hold harmless flat dollar amount is computed for those districts receiving lower funding. The hold harmless dollar amount will be phased out over time. A five-year (20% per year) phase out plan is proposed for consideration.
- The hold harmless provision would be funded by adjusting rates of non-hold harmless districts (shown below).
- In the example below, Column J shows the impact if the \$125,000 was distributed on a per ADA basis of \$5.70. District impacts range from \$5.50 to \$6.50 because we calculated the hold harmless based on a pro-ration of the shortfall (not per ADA basis). Therefore, districts with a higher rate per ADA ultimately take a slightly higher share of the shortfall as a result of this calculation.
- There may be additional mental health funds distributed in 2011-12 and 2012-13 but this will be approved by a separate allocation plan action item. The recommendation is still under review and will be brought back in December/January for final approval.

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Chart #6

1	2011-12 District Allocation Amount				7,488,032	\$ 341.36						
2	Prior Year Cum Dec en	7,362,989	7,488,032	0.98	(125,043)	\$ (5.70)						
3	Hold Harmless (HH)				(109,826)	\$ (5.01)						
4	Add back hold harmless (adjust separately)				109,826	-						
5	2012-13 dec enrollment adjustment	unknown										
6	Subtotal				7,362,989							
7	2010-11 P-2 ADA	(to be updated with 2012-13)			21,935.79							
8	Amount per ADA	\$ 341.36	\$ 335.66099	\$ 5.70	\$335.66099							
9		2010-11 ADA P-2 (to be updated w 12-13)	ADA x New Rate	Hold harmless	Amount above base in 2011-12	amount above base x ADA	New Entitlement + Hold Harmless	Prior Year Amount	Loss on per ADA for shortfall	Actual Loss in 2012-13	Difference between Pro-rated Loss and per ADA loss	Adjust Loss on Per ADA (after pro- ration)
10									\$ (5.70)			
11	b	c	d	e	f	g	h	i	j	k	l	m
12			\$ 335.66									
13	Black Oak Mine	1,551.77	520,869	17,978	-	-	538,847	547,998	(8,846)	(9,151)	(305)	\$ (5.90)
14	Buckeye	4,572.64	1,534,857	-	6.57	(30,042)	1,504,815	1,530,359	(26,066)	(25,544)	522	\$ (5.59)
15	Camino	433.86	145,630	-	6.68	(2,898)	142,732	145,157	(2,473)	(2,425)	48	\$ (5.59)
16	EDUHS	6,564.42	2,203,421	-	6.55	(42,997)	2,160,424	2,197,105	(37,420)	(36,681)	739	\$ (5.59)
17	Gold Oak	503.18	168,898	10,392	-	-	179,290	182,335	(2,868)	(3,045)	(177)	\$ (6.05)
18	Gold Trail	520.47	174,701	-	6.57	(3,419)	171,282	174,188	(2,967)	(2,906)	61	\$ (5.58)
19	Indian Diggings	17.23	5,783	-	6.04	(104)	5,679	5,775	(98)	(96)	2	\$ (5.57)
20	Latrobe	162.58	54,572	6,633	-	-	61,205	62,244	(927)	(1,039)	(112)	\$ (6.39)
21	Mother Lode	1,175.49	394,566	-	2.31	(2,715)	391,851	398,507	(6,701)	(6,656)	45	\$ (5.66)
22	Pioneer	369.76	124,114	1,719	-	-	125,833	127,970	(2,108)	(2,137)	(29)	\$ (5.78)
23	Placerville	1,190.26	399,524	54,379	-	-	453,903	461,611	(6,785)	(7,708)	(923)	\$ (6.48)
24	Pollock Pines	666.29	223,648	18,723	-	-	242,371	246,487	(3,798)	(4,116)	(318)	\$ (6.18)
25	Rescue	3,953.78	1,327,130	-	6.56	(25,937)	1,301,193	1,323,282	(22,538)	(22,089)	449	\$ (5.59)
26	COE Charter	242.46	81,384	-	6.64	(1,610)	79,774	81,128	(1,382)	(1,354)	28	\$ (5.58)
27	Silver Fork	11.60	3,894	-	6.29	(73)	3,821	3,886	(66)	(65)	1	\$ (5.60)
28	rounding				-	(29)	(29)		2	(29)	(31)	
29	Total	21,935.79	7,362,991	109,824.00		(109,824)	7,362,991	7,488,032	(125,041)	(125,041)	-	

SELPA Superintendents' Council Meeting 11-10-11

Executive Summary
SELPA Allocation Plan

SELPA Superintendent Council Approval: April, 2007

In March of 2001, the Superintendents approved the AB 602 Allocation Plan for 2001-02, 2002-03, 2003-04. In February of 2004 the Superintendent Task Force met and approved the Allocation Plan for 2004-05, 2005-06, and 2006-07. The Superintendents Committee met four times during 2006 to review the current Allocation Plan and to make recommendations for the next three years, 2007-08, 2008-09, and 2009-10.

SELPA Allocation Plan Superintendent Task Force:
(formerly AB602 Task Force)

Committee Members: Vicki Barber, Terry Wenig, Elizabeth Haines, Carol Bly, Rob Schamberg, Sherry Smith, Dick Williams. COE staff support: Francie Heim, Emi Johnson

The following recommendations will form the basis for an Allocation Plan for the next three years (2007-08 to 2009-10). The SELPA Allocation Plan Superintendent Task Force recommends that the new allocation be in place for a three year period, with an annual review if warranted. In addition, any major change (e.g. major shifts in funding) would trigger a new examination of the Allocation Plan. Our Allocation Plan timeline calls for approval by the SELPA Superintendent Council prior to March 15.

1. **NPS/NPA Pool**

Historically, costs in the NPS Pool had increased approximately 10% each year. The shortfall in the pool is shared by all districts on a per ADA basis. In previous years, the shortfall ranged from \$300,000-\$350,000. In 2005-06 \$200,000 was added to the pool with the intent to stabilize the pool for three years. During 2005-06, NPS costs increased dramatically and the shortfall for 2005-06 was \$500,000, using up the stabilization dollars in one year. The shortfall for 2006-07 is estimated at \$700,000 with additional increases predicted over the next two years. Increases due to sharp increase in OT/PT costs. Should the OT/PT costs be separated out from the NPS/NPA costs? Should the percentage of reimbursement change from the current 60/40 split? Should any one-time monies be used to stabilize the fund?

Approved Recommendation:

The committee recommends no changes to the distribution or participation in the NPS/NPA pool. Any shortfall will continue to be shared equally by all districts on

The annual 10% increase in contribution to the pool should continue from COLA and growth and "reallocation" dollars.

2. Occupational Therapy/Physical Therapy (OT/PT)

Due to the sharp increases in OT/PT costs, the Superintendents had requested cost and usage data and this information was reviewed. El Dorado County SELPA identifies and serves a higher percentage of their special education students with occupational therapy needs than the state wide average. A careful analysis of the data indicates all districts and programs equally over identify and over serve the occupational therapy needs of special education students. Strategies currently being implemented include: The hiring of EDCOE staff Occupational Therapists, review of procedures, service delivery model training, and establishing firm referral and eligibility guidelines.

Approved Recommendation:

Continue the inclusion of OT/PT costs in the NPS/NPA Pool. Direction given to SELPA staff and occupational therapists to implement strategies to serve only students who require educationally necessary occupational therapy/physical therapy.

3. Equalization

Each district in the El Dorado County SELPA has a unique funding rate going back to 1997-98 funding levels (which trace back to 1979-1980 costs and 1997-98 units of operation). Within the SELPA there is a mix of high and low funding rates. Below average districts were brought up over time to be closer to the County average. In 2000-01 all below-average districts were re-benched to the County average.

Approved Recommendation:

Continue existing allocation plan distribution. Should additional new monies become available, the committee will revisit and consider rebenching the County average.

4. Special Needs Pool

Ongoing funding for the Special Needs Pool has been depleted. The ongoing

Approved Recommendation:

Continue to follow allocation plan and criteria for participation. No additional revenues identified at this time.

dollars typically come from SELPA ADA growth, but there is no growth in 2006-07, nor any expected in future years. Changes in the criteria for Special Needs Pool participation have diminished the number of awarded claims, but available Out-Of-Home Care dollars are needed to supplement regional growth requests.

5. Out-of-Home Care Model (was LCI/FFH – NPS funding)

Funding is now based on a formula with the number of NPS beds located within El Dorado County. The funding base year is 2002-03. The State has prorated the amount funded and the pro-ratio is to increase annually. The El Dorado County SELPA has received funding beyond our current costs. Superintendents have agreed to consider spending the excess monies one year after received. Excess funding (\$200,000) has been used to supplement regional growth requests. Costs are estimated to be higher in 2006/07, which could impact the amount available for growth. The Superintendents also agreed to set aside monies to reimburse districts for the case management and assessment of group home foster students.

Approved Recommendation: Continue to pay 100% of costs of LCI-FFH students in El Dorado County NPS placements. Continue to reimburse districts whose staff provide case management and assessment of LCI/FFH NPS students. Continue to allocate any additional or excess monies one year later.

6. COLA and Growth

These two issues present major challenges for special education funding. In 2005/06 SELPAs received bifurcated rates for COLA and growth. In the past, new federal dollars received by the State were used to pay for COLA/Growth. By bifurcating the State could use state dollars to pay for COLA/Growth on the state portion and federal dollars to pay for COLA/Growth on the federal portion. In 2005/06 there were new federal dollars to replace the lost COLA.

Total impact in 2006-07 was that most K-12 programs enjoyed a 5.92% COLA. Special Education received an effective 4.52% COLA.

Additionally, the issue of declining enrollment will impact more and more SELPAs. Growth is currently based on SELPA K-12 ADA increase and funded at the statewide average. Problems arise for multi-district SELPAs with both growing and declining districts.

Solution is legislative. Funding should be based on greater current or prior year ADA by LEA not by SELPA. State should fully fund COLA for SPED programs. Legislative relief will continue to be sought.

7. Regional Growth

SELPA is declining in overall ADA; therefore, there are no funds for regional growth requests. Regional growth needs continue to be identified, with no allocation plan solution to fund.

No recommendation.

Executive Summary
SELPA Allocation Plan Superintendent Task Force
October 4, 2005

SELPA Superintendent Council Approval: November, 2005

- 1. On-going funding for the approved 05-06 regional growth requests.**
Need: \$150,653.

Approved Recommendation: Take from the \$225,565 Out-of-Home care dollars for 05-06.

2005-06 Approved Requests				Available	Allocated
1	Funding Source:			revised	
2	Federal funds/one time out of home care				150,653
3	2005-06 ADA "reallocation dollars"				24,944
4	Allocation of one time lci/ffh funding dollars				
5	ongoing growth from 2004-05/2005-06			62,687	
6	Total				175,596
7			# FTE	Rate	FTE x Rate
8	1 SH SDC/0 aide - EDUSHD ED reg. Pgrm		1	66,027	66,027
9	(2 aides already funded)				
10	1 SDC/2 aides for COE autism		1.00	146,284	146,284
11	Disband CH 3-5 class				(101,741)
12	Speech		0.60	72,251	43,351
13	APE		0.30	72,251	21,675
14	Total				175,596

2. Decision regarding the 2004-05 Out-of-Home Care dollars available (\$171,997).

Approved Recommendation: Create stability in the NPS Pool for at least five years.
Maintain the shortfall at the \$300,000 level.

See chart below — if claims hold at 8% increase, 10% increase annually to pool — pool remains stabilized for six years. Error in previous draft using 2004-05 adjusted incorrectly. Following assumes 8% increase in 05-06, 8% each year. Three year stability.

			1	2	3	4	5	6
revised		2004-05 Final	2005-06 Revised Estimate	2006-07	2007-08	2008-09	2009-10	2010-11
	Claims increase			0.08	0.08	0.08	0.08	0.08
1	Base (from Pr Yr)	419,856	461,842	508,026	558,829	614,712	676,183	743,801
2	COLA *	41,986	46,184	50,803	55,883	61,471	67,618	74,380
3	Other			171,997				
4	Amount Invoiced for Shortfall	350,000	300,000	300,000	300,000	300,000	300,000	300,000
9	Total Available (Beg Bal/Income)	811,842	808,026	1,030,826	914,712	976,183	1,043,801	1,118,181
10	Total claims	724,370	848,095	915,943	989,218	1,068,355	1,153,823	1,246,129
11	payment of PY claims		55,726					
12	Subtotal		903,821	915,943	989,218	1,068,355	1,153,823	1,246,129
13	Income less Expenditures	87,472	-95,795	114,883	-74,506	-92,172	-110,022	-127,948
14	Beginning Balance	0	87,472	-8,323	106,560	32,054	-60,118	-170,140
15	Estimated Ending Balance **	87,472	-8,323	106,560	32,054	-60,118	-170,140	-298,088
16	Reserves of ending balance:							
17	owed to EDUHSD (03-04)	37,085						
18	owed to Districts (04-05) for claims th	18,641						
19	Unallocated Reserve	31,746	-8,323					

NPS Claims History			
	Adjust claims History	Change	% Change
1998-99	276,544		
1999-00	300,981	25,437	9.20%
2000-01	302,739	1,758	0.58%
2001-02	484,801	181,065	59.61%
2002-03	624,688	139,887	28.85%
2003-04	741,941	117,253	18.77%
2004-05	743,011	1,070	0.14%
2005-06	800,000	56,989	7.67%

3. Decision regarding on-going \$s:

A. Ongoing Prior Year (Sp Needs growth share)	\$ 38,954
B. Estimate ongoing Current Year (Sp Needs growth share)	\$ 39,374
C. Possible Federal dollars in 05-06 (\$1.50 per ADA)	\$ 35,353
D. Possible State in 05-06 onetime/ongoing (\$8 per ADA)	\$188,551
E. Estimate of Out-of-Home excess (after funding 05-06 growth)	\$ 74,912

Approved Recommendation:

Allocation plan calls for per ADA amounts (state/federal) to be distributed on % to various "pots" – same as COLA dollars. Discussion for 2005-06 was to hold on this distribution until decisions made on growth. If Out of Home care dollars are funding 2005-06 growth as proposed in recommendation #1, then we would propose the allocation plan be implemented as in past years, but with a partial set aside for 2006-07 potential growth requests.

- *Federal per ADA dollars (est. \$1.50) be distributed per allocation plan* \$35,353
- *State per ADA dollars (est. \$8+) be distributed partially (50%) per allocation plan* \$94,276
- *State per ADA dollars – 50% - be set aside for 2006-07 regional growth requests* \$94,275
- *All other ongoing monies to Special Needs pool from growth -* \$38,954 and \$39,374
Continue to go to Special Needs pool as a revenue stream for special needs and or future regional growth requests
- *2005-06 Out of Home excess – after funding 05-06 growth – continue to flow to special needs pool as a revenue stream for special needs and or future regional growth requests* \$74,912

4. Mental Health Pre-Referral Dollars: \$5.19 per ADA.

- A. 2004-05 (\$119,000) was allocated based on an ADA basis
- B. 2005-06 (estimate \$119,000 again) Unknown whether ongoing or one-time dollars. May be affected by future legislative changes.

Approved Recommendation: SELPA Task force to look at behavioral needs, consider ADA allocation and return at later date with recommendation to Supt. SELPA allocation plan task force.

5. Assessment Costs: \$20,000 reserved each year from Out-of-Home care funds for 2004-05 and 2005-06.

Approved Recommendation: Reimbursement would cover LCI/FFH students from Summitview, Telos, Briar Oak, and Sierra Ranch schools who require assessment and case management from district/COE staff. Reimbursement would be at \$60/hr standard rate with caps of 6 hours for assessment and 4 hours for case management. Implementation details to be worked through SELPA steering committee.

**Executive Summary
SELPA Allocation Plan**

For Superintendent's Council, Approved November 3, 2004

1. NPS LCI/FFH 100% Formula

- 2003-04 Deficit
- New formula in 2004-05 – may result in new funds (possibly over \$300,000)

Approved Recommendation:

Estimated \$21,000 2003-04 deficit shall be funded in 2004-05.

100% NPS FFH/LCI assessment costs incurred by districts should be reimbursed in some fashion. SELPA steering committee will make a recommendation to Executive committee on this issue and how funding may occur.

Funding becomes a part of NPS pool, but 100% funding will still be tracked separately. 60% NPS pool reimbursement will continue in same fashion.

At close of fiscal year (2004-05), an accounting of the funding and expenditures for both pools will occur. 60% NPS shortfall will continue in 2004-05 as has been done previously. In September 2005, for the 2005-06 fiscal year, the SELPA AB 602 Task Force will meet to determine the 100% NPS pool funding balance left from 2004-05. A recommendation to Superintendent Council will be made at that time to distribute the funds with consideration for the following:

- 2005-06 60% NPS pool shortfall “buy-out”
- Set aside for future NPS increases
- Special Needs pool
- Regional growth requests
- 2005-06 ADA growth issues that might arise
- Other

2. New Charter in 2004-05

- 100+ ADA for new Charter (EDCOE/Smith Flat)
- If not enough SELPA growth, may not be fully funded

Approved Recommendation for this Charter situation (and future charters):

If the growth funding formula in year 1 of the charter entry into the formula results in funding less than 50% of entitlement, the SELPA declining enrollment hold harmless for declining enrollment districts will not be maintained and a pro-rated share of their hold harmless dollars will be pro-rated in order to ensure the charter receives a minimum of 50% of entitlement under the first year growth formula.

3a. Silver Fork

- Not in formula in the past
- Currently serving students with special needs
- If not enough SELPA growth, may not be fully funded

Approved Recommendation:

Silver Fork will receive their full entitlement in year 1, instead of the growth formula which might result in less than 100% funding. This will be accomplished by EDCOE reducing their entitlement in year 1 for Juvenile Hall and Rite of Passage in order to give Silver Fork the full amount.

3b. Juvenile Hall

- Not in formula in the past
- Currently serving students with special needs
- Expanded program in Tahoe in 2004-05

Approved Recommendation:

2004-05 growth ADA will be added into the formula and funding according to growth formula. It is recognized that the base ADA has been contributing dollars to the SELPA since the inception of AB 602, but we have not distributed dollars to them. The base ADA inclusion in SELPA may be addressed in future allocation formula discussions.

3c. Charter – Rite of Passage

- Not in formula in the past
- Currently serving students with special needs
- Expanded population in 2004-05

Approved Recommendation:

2004-05 growth ADA will be added into the formula and funding according to growth formula. It is recognized that the base ADA has been contributing dollars to the SELPA since the inception of AB 602, but we have not distributed dollars to them. The base ADA inclusion in SELPA may be addressed in future allocation formula discussions.

4. Mental Health Flow through

- Estimated \$100,000 in one time funding for specified purposes

Approved Recommendation:

SELPA will convene a task force to address what services are needed to support students in their home school or other county programs. The task force will also address the use of the funding for regional program needs and other usage options.

5. OT/PT Services

- Discussion of options

Approved Recommendation:

- Letter of thanks
- Stopgap measures will be pursued
- We will look at pursuing hiring of staff to meet the needs (EDCOE will take lead)
- A funding formula recommendation will be addressed by the AB 602 Business/Program committee

***Executive Summary
SELPA Allocation Plan***

For SELPA Superintendent Council Approved, February 4, 2004

In March of 2001, the Superintendents approved the AB 602 Allocation Plan for 2001-02, 2002-03, and 2003-04. The AB 602 Superintendent Task Force met on January 14, 2004, to make recommendations for the Allocation Plan for the next three years; 2004-05, 2005-06, and 2006-07.

AB 602 Superintendent Task Force:

Committee Members: Molly Helms, Sherry Smith, Bob Ferguson, Vicki Barber, Dick Williams, Paul Hewitt, Gordon Piffero. COE staff support: Emi Johnson, Francie Heim

For information only, we have attached the back-up documentation prepared for the committee as they developed recommendations.

The following recommendations will form the basis for an allocation plan for the next three years (2004-05 to 2006-07). The AB 602 Superintendent Committee recommends that the new allocation would be in place for a three-year period, with an annual review if warranted. In addition, any major change (e.g., major shifts in funding) would trigger a new examination of the allocation plan. Our allocation plan timeline calls for approval by SELPA Superintendent Council prior to March 15.

1. COLA/Prior Year ADA Adjustment.

When prior year ADA x district rates results in unallocated dollars, e.g., \$50,000 in 2003-04, should this be reallocated on per ADA basis to all as part of COLA (as is past practice)? Or should the formula be adjusted?

Should the allocation result in a negative number, which results from prior year growth not fully funded, the formula will continue to operate as it has in the past, with the dollars coming from COLA.

Approved Recommendation:

Should unallocated dollars be available, these funds will not be distributed on a per ADA basis as done in the past. **First distribution will be for any NEW charter start-up for which growth funding is not available. The balance will be distributed 50% to special needs and 50% to the NPS pool.**

2. Special Needs Pools

- Does not have ongoing renewal stream.
 - Current balance will be gone in a year or so
- Only change is to adjust as noted above in #1.

3. NPS Pool

- Does not have adequate funding.
- 10% increase does not cover 60% reimbursement cost.
- Shortfall shared equally by all on per ADA basis.

Only change is to adjust as noted above in #1.

Approved Recommendation:

In 2004-05, the \$37,547 shortfall will be taken from one-time dollars and the funding issue

4. Regional Growth

- SELPA growth dollars are diminishing.
- SELPA will be unable to fund any regional growth requests.
- If EDUHSD 2003-04 regional growth request is renewed, \$37,547 shortfall must be addressed.

Approved Recommendation:

In 2004-05, the \$37,547 shortfall will be taken from one-time dollars and the funding issue

5. Charter Schools

- Formula requires distribution to Charters, but if no growth dollars, no formula mechanism to fund.
- The Charter ADA is part of SELPA ADA and is thus funded by the state.
- However, if we have declining enrollment district ADA, it offsets growth ADA and we see no net increase in funding from the state.
- Since we internally guarantee prior year ADA funding, dollars might not be available.

Approved Recommendation:

Should dollars be left as a result of the COLA/PY ADA adjustment noted in #1, they should be allocated to fund the Charter pursuant to formula. Should dollars not be available, new Charter ADA must be funded and SELPA will prorate funding for the prior

**Executive Summary
SELPA Allocation Plan**

In June, 2002, the Superintendents approved the following recommendations to the current Allocation Plan:

1. Declining Enrollment

Approved Recommendation: The declining enrollment loss should be deducted from the Special Needs Pool.

2. Charter Rates

Situation 1 - Charter participates as a school within the district - and the district is providing services to the charter the same as for other sites.

Approved Recommendation: ADA for the charter is included with the chartering LEA and is funded at the chartering LEA rate within the existing formula.

Situation 2 - Charter participates as a school within the district - and the charter and district have an agreement that the charter will secure special education services in some fashion; e.g. charter may contract with another LEA or agency or hire their own staff.

Approved Recommendation: ADA for the charter is shown as separate line item and is funded *at the lesser of lowest LEA rate or SELPA target rate within the existing formula.*

Situation 3 - Charter participates as a separate LEA.

Approved Recommendation: ADA for the charter is shown as separate line item and is funded *at the lesser of lowest LEA rate or SELPA target rate* within the existing formula.

3. Under Utilization Criteria.

Approved Recommendation: Funds allocated for special education shall be spent for special education. Should an LEA not spend their allocation in a given year, their allocation for the following year shall be reduced by the carryover available to them from the prior year. This is not intended to be a permanent reduction. The formula will be evaluated in 2002-03 to determine if a permanent reduction provision needs to be incorporated for LEAs which have a carryover for more than one year in a row.

The funds "saved" by the SELPA shall be allocated to the Special Needs Pool.

Data will be compiled in October of each year to determine if carryover exists and LEAs shall be notified at that time. Their current year state SELPA allocation will be reduced by the carryover amount. Cash flow for November will reflect the

Executive Summary SELPA Allocation Plan

Background:

AB602 Superintendent Committee convened to develop allocation plan guidelines for 2001-02, 2002-03. Met February 5 and February 22 to develop draft recommendations. The following is a summary of the recommendations approved by the AB 602 Superintendent Task Force.

The current AB602 allocation plan was approved by Superintendents for the 1999-00 and 2000-01 fiscal years. The following recommendations would form the basis for an allocation plan for the next three years (2001-02, 2002-03 and 2003-04.) AB 602 Superintendent Committee recommended that the new allocation plan would be in place for a three year period, with an annual review. In addition, any major change would trigger a new examination of the allocation plan. Our allocation plan timelines call for approval by Superintendent Council prior to March 15, however this timeline could be adjusted.

AB 602 Superintendent Committee:

Jim Shock, Sherry Smith, Bob Ferguson, Don Helms, Cathy Bean, Dick Williams, Vicki Barber, Francie Heim, Betsy Christ (as interim SELPA Director) & Molly Helms.

Prior Two Year Plan Components:

COLA	15% to all, 85% to below target
Growth	80% Growth/20% Special Needs
NPS Pool	10% Increase

Issues for 2001-02 and Ongoing

1) Distribution of New COLA \$

Recommendation: shared equally (based on PY ADA)

New COLA \$	
COLA per ADA	18.386
Estimated SELPA ADA	22,063
Estimated COLA funding	\$ 405,650

2) Growth

Recommendation: New Regional programs funded first.

The balance to growth/below target districts. Target to be rebenched

3) Special Education Mandated Cost Claim and New Federal \$ in 2001-02.

Estimated funding ongoing and rolled into base of \$386,000 and \$237,000.00.

	2000-01 Estimated Funding	% of Total	Mandated Cost	New Federal
ADA			22063	22,063
Rate			\$ 17.50	\$ 17.00
Estimated New Funding			\$ 386,103.00	\$ 375,071.00
Regional Requests				\$ 138,080.00
Funding less Allocations			\$ 386,103.00	\$ 236,991.00
EDCOE	4,435,233	42.44%	163,862	100579
EDUHS	177,005	1.69%	6,525	4005
Ppines	54,861	0.52%	2,008	1,232
District Base amount	5,514,685	52.75%	203,669	125,013
NPS POOL	271,625	2.60%	10,039	6,162
Total	10,453,409	100.00%	386,103	236,991
Other (Special Needs/growth)	63,956			
Total	10,517,365			

Recommendation: After distribution of prorated percentage to regional programs and NPS pool, utilize district base amount of mandated cost \$ to bring districts to rebench target (\$183,321).

	2000-01 Rate (CY Funding/PY ADA)	Variance from TARGET	1999- 00 ADA	Amount below TARGET	Variance from REBENCH	Total	amount Above TARGET
		\$ 256.23			\$ 264.07		
Black Oak Mine	\$ 282.32		1,899				-34,649
Buckeye	\$ 250.33	5.90	3,817	22,519	13.74	52,441	
Camino	\$ 257.35		558		6.72	3,752	
EDUHS	\$ 251.09	5.14	6,018	30,933	12.98	78,116	
Gold Oak	\$ 291.36		723				-19,734
Gold Trail	\$ 253.50	2.73	632	1,727	10.57	6,685	
Indian Diggings	\$ 246.85	9.38	33	313	17.22	574	
Latrobe	\$ 311.96		170				-8,156
Mother Lode	\$ 268.05		1,559				-6,205
Pioneer	\$ 275.24		521				-5,814
Placerville	\$ 319.93		1,236				-69,038
Pollock Pines	\$ 299.12		953				-33,393
Rescue	\$ 250.49	5.74	3,075	17,648	13.58	41,753	
Total				73,140		183,321	-176,989

4) Increased federal funding treated as augmentation and increase to base AB 602 funding. \$17 per P-2 ADA estimated to be over \$375,000.

Recommendation B fund regional program requests for 2001-02 as shown above (\$138,080.00). Regional programs to include \$103,775 for SH Class with one aide for preschool class and \$34,305 for Community School special education support.

5) NPS pool data in January 2001 indicates a potential shortfall of \$14,000. But, true imbalance = \$60,000+. Share of mandated and new federal \$ reduces the imbalance to \$44,350.

Recommendation B continue 10% NPS increase each year (from COLA/growth). ADD \$30,000 from mandated and federal funding. Result will be to probably leave some level of Ashortfall@ shared by all if trend continues to increase NPS costs.

NPS Long term Needs	
2000-01 Income	271,625
2000-01 Expenditures	332,176
Shortfall	-60,551
Amounts from Federal/Mandated funds	16,201
Balance needed ?	-44,350

6) Balance available with adoption of recommendations presented above:

District share along with balance from mandated costs after rebenching = \$115,361

	Mandated Cost \$	Federal \$	Totals
District Share	203,669	125,013	328,682
Amount to bring districts to rebenched TARGET	183,321		183,321
NPS Augmentation		30,000	30,000
Balance	20,348	95,013	115,361

Recommendation - Move full amount of \$115,361 to special needs. Executive Committee asked to develop specific support for CCR for 2001-02 from this funding source.

7) Distribution of \$51,000 left in 2000-01 deficit restoration from Maximization/Unallocated Growth.

Recommendation - Allocate to special needs.

8) Declining Enrollment for SELPA B how should loss of SELPA base dollars be allocated? \$33,000 loss in 2000-01 treated as deduct from special needs pool/unallocated ongoing base \$ (approved by Supt), but plan does not contain a policy on how this should be dealt with if it reoccurs.

9) Charter School participation in allocation plan. If a charter were to participate as a separate LEA, the criteria and process for determining their share (if applicable) of the AB602 base dollars needs to be defined.

10) Under utilization criteria for SELPA (similar to pre AB602 under utilization /recapture provisions)

Recommendation - Defer items 8, 9, and 10 to AB602 program/business committee to address, including the development of formulas as appropriate, and make recommendation back to Supt. Committee.

See following document approved by Superintendent=s Council on June 5, 2002.

Approved by Superintendents= Council in February, 2001.

Executive Summary
AB 602 Plan for 1999-2000 & 2000-01

Superintendent Council
Wednesday, February 03, 1999
AB602 Superintendent Task Force Recommendation

Committee:

Don Helms	Vicki Barber
Bob Ferguson	Barbara Morton
Rodger Smith	Francie Heim
Jim Shock	
Joyce Flanigan	

Adoption of "Model 11"

COLA distribution
All get 15% of COLA
Below Target districts get 85%
(pursuant to formula for distribution)

Growth
80% to below target districts
20% to Special Needs Pool

NPS pool
10% increase
Shortfall shared by all (ADA basis – no change from plan formula)

1988-99 Cola/Deficit restoration beyond 2.18%
Estimated \$90,000
Distributed to below target districts only in 1999-2000

These parameters are adopted for the 1999-2000, 2000-01 years.
In 2000-2001 the plan will be revisited for 2001-02.

If the 1998-99 restoration dollars are not available, the plan will be revisited in 1999-2000 for 2000-01 year. The 2999-2000 plan will however be at parameters described above.

The goal is to achieve a band of equity within five to seven years.

Executive Summary
Recommendation for Allocation of Potential Additional Dollars in 1999-00

Superintendent Council
October 6, 1999
AB602 Superintendent Task Force Recommendation

Committee:

Jim Shock, Sherry Smith, Bob Ferguson, Don Helms, Molly Helms, Rodger Smith, Vicki Barber, Francie Heim, Barbara Morton

Maximization

- 1996-97 Maximization (\$83,722)
Allocated under the Special Needs Pool Criteria
- 1997-98 Maximization (estimated \$200,000) and 1998-99 Maximization (estimated \$170,000)
Allocated 15% NPS
85% Special Needs Pool Criteria
- 1999-2000 Maximization – estimated \$170,000 ongoing rolled into the base
Allocated the same as growth according to allocation plan
Regional Program requests
80% Below Target
20% Special Needs

Special Needs Pool

Estimated \$9,485 stays in Special Needs Pool

1998-99 COLA dollars (one-time)

\$90,500 to be placed in NPS pool

NPS Pool

Allocated one time monies from maximization and COLA as described above.
(approximately \$55,000 from Maximization and \$90,500 from one time COLA dollars)

Special needs	NHS	Grants	Total
135,722			135,722
170,000	30,000		200,000
144,500	25,500		170,000
		170,000	170,000
			633,722

Special needs	NHS	Grants	Total
135,722			135,722
170,000	30,000		200,000
144,500	25,500		170,000
		170,000	170,000
			633,722

Special merits	NIB	Oranville	Unlance
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Special needs	.MFB	Gravels	Differ	Influence
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	75,500		
"	100,500		
<hr/>			
	<u>75,500</u>	<u>100,500</u>	<u>196,000</u>
		800,000	<u>992,000</u>

מקום	אזור	שליטה	מדינה
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[illegible]

Special Needs Pool		Amount	
1000-500	No special needs available thru the BILTPA grants		
	based on	1-1 ADA	8,405
1000-2000	Estimate	BILTPA, grants	8,405
			16,810

1990-99 COLA dollars		Pendability	Date when a payment started	Amount
1990-99 "Medicaid Auto Rize"	Exempt	none dead benefit on budget not	Exp-400	776,000
Expendable like program Florida Florida Rize				507,000
1990-2000 Part of "Place Rize" Funding	Exempt	none dead benefit on budget not	Feb-400	160,000
Total				522,000

	Amount
NPR Fuel	
1996-99	\$24,520
1999-2000	\$20,413
1999-2000 Fuelover	\$1,257
Fuel	\$46,190

[illegible]

El Dorado County SELPA
AB 602 Implementation
Allocation Plan
Executive Summary for 1998-1999

A new allocation plan is required by AB 602. In its simplest form, AB 602 eliminates IPS (Instructional Personnel Service Units) and replaces it with a funding model based on total SELPA (Special Education Local Plan Area) K-12 ADA. The El Dorado County SELPA must develop a new allocation plan to replace the previous IPS distribution model starting in 1998-99.

On June 2 and June 3, 1998, Superintendents' Council approved an allocation plan which does the following:

- Establishes a NPS/NPA (Non-Public School/Non-Public Agency) SELPA pool based on 1997-98 funding.
- Establishes a district K-12 ADA rate based on 1997-98 funding (net of NPS/NPA).
- Districts below the average will be brought up to the average by receiving a larger share of COLA and growth over time.
- Districts above the average will continue to keep their per ADA rate, but will receive a smaller share of COLA.
- 50% of COLA is provided through formulas to all districts. The balance is provided to districts below the average to bring them up to the TARGET amount.
- Regional programs and the NPS/NPA funds receive their pro-rated share of the COLA dollars.
- Growth is allocated:

First priority	Regional funding requests - approved through the SELPA governance process
Second funding	10% increase to NPS/NPA pool
Balance	70% to districts below TARGET
	30% to districts with Special Needs
- Funds are allocated to the AU (Administrative Unit) and distributed to districts.

This allocation plan is for 1998-99. At the June 3, 1998, Superintendents' Council meeting further discussion ensued with the final recommendation that the formula be adopted for the 1998-99 year only. A committee was established to review the formula and make recommendations for 1999-2000 and future years. The committee is made up of the following members:

Francie Heim, Associate Superintendent, EDCOE
Barbara Merion, SELPA Director, EDCOE
Joyce Flanigan, Superintendent, Buckeye Union School District
Rodger Smith, Superintendent, Camino Union School District
Don Helms, Superintendent, Placerville Union School District
Superintendent, Gold Oak Union School District (position now vacant)
El Dorado Union High School District, district representative unnamed

El Dorado County SELPA
AB 602 Task Force and Decision Making Process

In December of 1997, The El Dorado County SELPA formed a task force to design a new internal allocation model. The members were as follows:

Barbara Morton, SELPA Director, EDCOE
Francie Heim, Associate Superintendent, EDCOE
Betsy Christ, Director of Special Services, EDCOE
Bob Stromberg, Principal, Special Education, EDCOE
Loia Westphal, Director of Special Education, Buckeye Union School District
Jeanette Thomas, Business Manager, Buckeye Union School District
Donna Hong, District Psychologist, Placerville Union School District
Norma Shelton, Business Manager, Placerville Union School District
Irene Elliott, District Psychologist, Rescue Union School District
Barbara Herndon, Business Director, Rescue Union School District
Steve Vohner, Director, Special Education, El Dorado Union High School District
Bob Roberts, Chief Business Official, El Dorado Union High School District

The committee met from January through May of 1998. The task force identified guiding principles to lead them in their discussion of a new allocation model.

- ▶ Formula should be fair and equitable
- ▶ The formula should not provide incentives to over identify students
- ▶ The formula should not provide fiscal advantages for program decisions
- ▶ NPS/NPA - should be dealt with in a SELPA wide fashion
- ▶ A hold harmless should be provided in 1998-99 and in some fashion for future years
- ▶ Formula should be based on K-12 ADA, but provide funds for special needs

The committee developed a formula, which was then forwarded to Superintendents' Council for review and approval.

On May 21, 1998, Superintendent council met to discuss the proposed AB 602 allocation plan. At this meeting an overview of special education funding was presented and the basic concepts of the proposed allocation model were presented. On June 2, 1998, the Superintendents' Council met again for further discussion and adopted the model recommended by the committee with some modifications. The discussion called for an annual review of any variances between assumptions and actual factors and a three year re-evaluation of the model.

On June 3, at the regularly scheduled Superintendents' Council, the superintendents discussed the model again and decided to adopt the model for 1998-99 only. A Superintendent's Task Force has been established which includes Executive Committee members. They will make recommendations to the Superintendent's Council at the February meeting for the following fiscal year's Allocation Plan. Note: Plans may be for a two or three year period when appropriate. SELPA Steering Committee is kept apprised of the Superintendent's Task Force discussions and recommendations and the adopted Plan is taken to SELPA Steering Committee at the February meeting.

BACKGROUND OF SPECIAL EDUCATION FUNDING

The Governor signed AB602 into law on October 10, 1997. The legislation, authored by Assemblyman Poochigian and Assemblywoman Davis, has been identified as the Special Education Reform Act and provides for equalization funding for school districts and county offices of education beginning in the 1997-98 fiscal year. A new formula for special education funding goes into effect beginning in the 1998-99 fiscal year. AB 598 was additional legislation passed in 1998 that clarified AB 602 language. Additional legislation continues to be enacted to deal with issues that arise (eg. Charter Schools).

Why did we change from the old formula? School districts and county offices identified a number of limitations and areas of concern with the prior funding formula, including:

1. A lack of flexibility in the service delivery system.
2. Inequity in funding for Local Education Agencies (LEAs) for provision of comparable services, including differences in unit rate funding, support service ratios, and local general fund contributions.
3. The complexity of the funding formula.
4. Inappropriate financial incentives that regard the identification of special education students while penalizing LEAs that provide preventative services.
5. Enrollment growth that is funded on prior year pupil counts and is generally funded only to a 40% to 50% level.

These are some of the major concerns that have been voiced regarding the prior special education funding formula. As a result several efforts to reform the special education funding formula have been attempted in recent years. In 1995 a legislative task force was created to include representatives from the California Department of Education, the Legislative Analyst Office, and the California Department of Finance. A report from the task force was issued in November 1995 which generally recommended special education funding to be provided on a per K-12 average daily attendance (ADA) basis with funding to be equalized among SELPAs. Legislation introduced to respond to the task force report failed to be enacted. Several reform proposals were brought forward, but failed to pass through the legislative process, until the passage of AB 602.

PHASE 1 – AB 602

Given the wide disparity in special education funding among LEAs, it was necessary to equalize funding on a LEA basis prior to moving to fund special education services by SELPAs on a K-12 ADA basis. Additional federal funds (\$76.7 million) were utilized to provide the equalization monies, which were funded through a new appropriation to LEAs, in addition to COLA dollars. This amount of funding provided approximately 72% of what would have been necessary to bring each LEA up to the statewide average of combined unit rate, support service ration and local general fund contribution levels, based on a 1995-96 data. **El Dorado County SELPA received over \$654,000 in Phase 1 equalization dollars in 1997-98. These funds are ongoing and are rolled into the per ADA formula in 1998-99. Each district keeps their Phase 1 equalization dollars and are part of their base rate.**

PHASE 2 – AB 602

As described earlier, a new special education funding formula was implemented under AB 602 beginning in the 1998-99 fiscal year. The new model provides special education funding based on an amount per K-12 ADA within the SELPA. AS was the case in Phase 1, equalization funding was provided to equalize the special education allocations to the statewide average and was funded through a new appropriation in addition to COLA dollars. However, unlike Phase 1, the special education funding in Phase 2 was provided on a SELPA-wide basis and augmentation funding continues until equalization is achieved. **El Dorado County SELPA was not expected to receive any significant dollars in equalization funding under Phase 2.**

Under Phase 2, enrollment growth is funded for K-12 ADA increases at the statewide dollar average. Therefore, special education pupil counts no longer affect the funding provided. Funding is based on the greater of current year or prior year ADA. It is also important to note the change in ADA accounting which began in the 1998-99 fiscal year, when actual attendance became the basis of ADA. Under Phase 2 provisions, there is a guarantee for the SELPA to receive the prior year funding, COLA funds, and growth ADA. A SELPA's ADA is calculated on the basis of the greater between current year and prior year. **For El Dorado County SELPA, there is a concern that districts with declining ADA will offset growth ADA districts resulting in growth funds insufficient to fund the needs of increased enrollment districts. Further, those districts with declining ADA may not experience a corresponding decrease in pupils needing special education services.**

The calculation of the per ADA amount is based on generally the sum of state and federal special education revenue sources, divided by the SELPA total ADA. The result of totaling 1997-98 special education funding net of the deficit and dividing that total by ADA is to “erase” the deficit. In addition, in the calculation, the local general fund contribution also disappears in 1998-99.

As noted earlier, equalization funding was provided in Phase 2 on a SELPA-wide basis. Growth in federal dollars is to be used to fund the equity adjustment to bring SELPAs to the statewide average on a per ADA amount. Phase 2 funding combines the total amounts received for special education and generally created a block grant for special education. Non-Public School/Agency (NPS/NPA) costs are comprehended within this block grant. Only Licensed Children's Institution (LCI) and Foster Family Home (FFH) placement costs are outside of the block grant and continue to be funded at the existing 100% level. The Emergency LCI/FFH Fund continues under AB 602 for new beds opened or expanded in a particular fiscal year. The other significant provision governing NPS placements is the creation of a NPS Excess Cost Pool. The legislation provides a safety net to fund the excess costs for individual placements that exceed 2.5 times the average placement cost, or 1% of SELPA revenues for necessary small SELPAs.

Three other special education funding sources continue also outside of the block grant. First, infant funding continues to be separate and funded in the same manner as exists currently. Secondly, low incidence materials and equipment and low incidence services are outside the calculated per ADA amount and continue to be funded on the same basis as currently provided. Finally, regionalized services and program specialist funds are allocated separately based on K-12 ADA and are anticipated to be at least equal to the amounts provided in the 1997-98 fiscal year, with COLA added in future years.

Three studies were called for within AB 602, which caused further refinements in the Legislation. The Legislative Analyst, California Department of Finance and California Department of Education were called upon to study the distribution of incidence of disabilities that are medically defined or severely handicapped and significantly above average in costs among SELPAs. This study was conducted by the American Institutes for Research and resulted in the language added to the Budget Trailer Bill described above. In addition, the Three State Control agencies were charged with completing a study on NPS/NPA costs and examining the causes for continuing increases while making recommendations for cost containment. This study was completed March 1, 1994. Finally, the California Department of Education was mandated to conduct a study on compliance of the special education law in California in accordance with federal legislation under IDEA. A final report was completed March, 1999. (Improved SPED Through Compliance.)

AB 602 provides for the special education funds to go to districts and county offices of Education in accordance with the SELPA allocation plan. An annual services delivery Plan and budget is required under the legislation. Accountability is provided within The legislation by mandating that all funds must be expended for the purposes intended.

SELPA Budget document will be produced annually in November. The document will be reviewed/finalized with all Stakeholder groups by January.