

Appendix A

Memorandums of Understanding Agreements between SELPAs

- a) COE Operations in Base Year Calculations (MOU #1)
- b) J-50 “Maximization” in Base Year Calculations (MOU #2)

Santa Clara County Office of Education (SELPA I - VII)

Memorandum of Understanding #1

COE Operations in Base Year Calculations (March, 2000)

Implementation in 98/99 of the new Special Education Funding Formula mandated by AB 602, illuminates some critical issues which would be best served by written policy agreement between all SELPAs.

Background

County Office of Education Special Education programs were, under the J-50 Funding Model (which ended in fiscal year 97/98), reported in SELPA III. AB 602 specifies a formula for determining SELPA revenue for all future years according to the revenue which was generated by district J-50's within the SELPA in the base year (97/98). The AB 602 formula provides a means to adjust revenue back to SELPA of residence in the base year for all unit transfers between SELPAs. There are, however, some elements of County Office Special Education Funding which cannot be adjusted to SELPA of Residence via the unit transfer formula. This revenue remains in SELPA III, but clearly does not belong solely to the districts in SELPA III. It is the amount and disposition of this revenue which is being addressed in this document.

1) The 24.27 Frz Units in SELPA III identified by Paul Goldfinger, of School Services as funding for COE programs which serve all of the districts in the county. This is over and above what would be considered SELPA III's share of COE funding based on pupils in COE programs.

Revenue transfer from SELPA III Base Funding	\$2,040,125 (transfer to COE)
18.45 SDC 1 Aide x \$89,516 = \$1,651,570	
5.82 DIS x \$66,762 = \$388,555	
Calculated at CDE posted Transfer Rates	

2) COE Base Year (97/98) Extended Year Funding **\$3,039,659** (transfer to COE)

Revenue transfer from SELPA III Base Funding
From 97/98 Annual J-50 COE SELPA III

3) COE NPS/NPA Column A, B Base Year Reimbursements

base yr SELPA II OT Louise Faulker contract reimbursement	\$ 952,300 (transfer to COE)
base yr SELPA III OT Pediatric Interv. contract reimbursement	\$ 50,050 (transfer to SELPA II Reg.Serv)
Revenue transfer from SELPA III Base Funding	\$ 103,690 (transfer to SELPA III Reg.Serv)
From 97/98 Annual J-50 COE SELPA III	\$ 1,106,040

4) COE Alternative Schools Grant \$116,625

Total **\$6,302,449**

Policy Agreement

By agreement of all six SELPA Executive Councils, **\$6,148,709**, which is included in the base funding of SELPA III, will be transferred from SELPA III to the COE to fund programs serving all districts in Santa Clara County. This transfer of **\$6,148,709 (less deficit)** will occur every year. The COE will calculate the cost of operating Special Education Programs and the above amount will be transferred to the COE to partially fund those programs. These revenues will be used to offset the final cost of COE programs which will be charged to districts based on actual usage of those programs. In addition **\$50,050** will be transferred from SELPA III's base funding to SELPA II's Regionalized Services Budget, and **\$103,690** will be transferred from SELPA III's base funding to SELPA III's Regionalized Services Budget, as indicated above. These latter two amounts were paid with SELPA Regionalized Services funds and reported and reimbursed through the COE's J-50 (in SELPA III) in the base year.

SELPA I Executive Council Chairperson

SELPA IV Executive Council Chairperson

SELPA II Executive Council Chairperson

SOUTH EAST SELPA Executive Council Chairperson
(SELPA V & VI)

SELPA III Executive Council Chairperson

SELPA VII Executive Council Chairperson

Santa Clara County Office of Education (SELPA I - VII)

Memorandum of Understanding #2

MAXIMIZATION in Base Year Calculations (March, 2000)

Recertification of the AB 602 Base Year J-50s (97/98) in February of 2000, revealed an uneven distribution among the seven SELPAs of the gains realized by Paul Goldfinger's (School Services) Countywide Maximization of Revenues.

Background

The Paul Goldfinger "Maximization" of Revenue for fiscal year 97/98 generated a prior year adjustment of \$1,997,738 in shared gain for Santa Clara County. An additional \$203,852 was generated as a result of specific operational changes to district J-50s. As in past practice the shared \$1,997,738 gain will be distributed to districts based on pupil count, see attached schedule, as a one-time prior year adjustment in 99/00. The \$203,852 will go to the districts which generated those funding changes by correcting the reporting of their operations for that year.

Maximization in the Base Year of AB 602 funding

Because 97/98 is the Base Year for calculation of all future SELPA funding under AB 602, it is important to look at the fair distribution of this shared Countywide increase in funding as it rolls into the SELPA base rates. When the Maximized J-50s were rolled into the SELPA Base Rates by the California Department of Education, the gain from Maximization fell unevenly among the seven SELPAs.

Inter-SELPA apportionment adjustments to fairly distribute the Maximized Base Year Revenue to all SELPAs

	{a}	{b}	{c}	{d}
	Base Year 97/98 Maximization Distribution by Pupil Count	Actual amount rolled into SELPA Bases by CDE AB 602 formula	Difference	Adj Entry in 99/00 Difference times 99/00 Base Proration 0.9599306091
SELPA I	182,387	135,049	47,338	45,441
SELPA II	213,902	144,910	68,992	66,228
SELPA III	309,520	(101,081)	410,601	394,148
SELPA IV	255,921	(293,011)	548,932	526,937
SE SELPA (V)	758,002	1,882,725	(1,124,723)	(1,079,656)
" (VI)	156,993	315,909	(158,916)	(152,548)
SELPA VII	121,012	(86,816)	207,828	199,500
Totals	1,997,737	1,997,685	52	50

Policy Agreement

By agreement of all seven SELPA Executive Councils, \$1,997,738, representing the net shared benefit of Countywide Maximization of 97/98 Base Year Revenue, **will be adjusted each year, beginning with 98/99** to roll the original distribution by pupil count into each of the SELPA Bases. **For each current year adjustment of revenue, the amount in Column C will be multiplied by that current year deficit factor.**

SELPA I Executive Council Chairperson

SELPA IV Executive Council Chairperson

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