

Components of Agreement:

1. Flow of Funding:

State Special Education Apportionments will flow from the California Department of Education (CDE) to the County Treasurer's Office Administrative Unit (AU) which is the Special Education Local Plan Area (SELPA) Office operated in **Mt.Pleasant Elementary School District**. The distribution of this revenue is managed by the SELPA Office Administrator and allocated in monthly increments according to the formulas agreed upon and specified in this document to each of the eleven (11) districts in the South East SELPA. The AU will distribute apportionments immediately upon receipt.

County Excess Property Taxes for Special Education will be calculated by the SELPA AU office, incorporated in the AB 602 formula, based on prior year December and April average pupil count. Each district's share of County Excess Special Education Property Taxes will be reduced by that district's cost of utilizing County Office Special Education programs.

Federal IDEA Grants are sent directly to SELPA office and will be distributed to districts based on their prior year December pupil count with the exception of Local Assistance grant is based on pupil count for COE's portion and on districts' ADA for districts portions. Districts will submit to the SELPA office quarterly reports and a final expenditure report summarizing their actual expenditures for the fiscal year (Appendix C). Prior to 2014-15, Federal grants were paid as an advance with the initial payment of 25% of grant award, subsequent payments will be based on the reported expenditures amount and final payment will be sent after the submission of Final expenditure report. Currently these grants are paid as a reimbursement with the amount based on districts quarterly expenditures report. The grant period is extended to 27 months long and a budget plan submission is required if districts have not fully expended the fund after the 15th month of grant period.

Regionalized Services and Program Specialist (RS/PS) Revenue. Beginning 2013-14, CDE has included RS/PS revenue into the AB602 base calculation and discontinued apportionment it as a separate line item. SE SELPA will annually recapture and reallocate portion of the funds received, including COLA, to pay for expenditures of SELPA Administrative Unit, the Medical Therapy Unit, and the Program Specialist/Regionalized Services Unit. Any excess of this amount will be passed through to all districts based on current year total of P2 K-12 ADA.

Low Incidence Service Revenue. This funding has been apportioned as a grant up to 2012-13 and then merged with Low Incidence Equipment funding thereafter. The change would give SELPA greater flexibility in using the combined amount for both equipment and services. SE SELPA annually will set aside 10% of the total funding to be used as Low Incidence Service reimbursement and the remainder will be used as Low Incidence Equipment funding. District will submit a LI Service reimbursement request form to SELPA and the funding will be allocated based on % of district's expenditures to the total of all requests.(Appendix J)

Low Incidence Equipment Revenue has been divided between COE Special Education and districts based on the prior year December 1 Low Incidence pupil count (with both primary and secondary disabilities) at a per pupil rate set by CDE up to 2011-12.

Starting in 2012-13, CDE allocated funding to SELPA based on LI students by District of Residence, SELPA AU will divide the total funding to COE and districts based on percentage of prior year December 1 LI student by District of Service. The COE's share will be sent to COE and districts' shares will be kept at the SELPA AU as one pot, not individual shares. Throughout the year, districts will request purchases, according to SELPA guidelines (Appendix J), with the Low Incidence Requisition Forms on a first come, first serve basis until the funding is exhausted. Any amount not spent at the end of the year will be carried over to the subsequent year.

2. **MOU #1 and MOU #2** are agreements made between all SELPAs in Santa Clara County during the transition period from J-50 to AB602 funding model. MOU #1 provides guidelines for distribution of revenue from units reported in SELPA III in the base year for serving pupils in COE programs from all districts in the county. MOU #2 distributes revenue from the base year maximization of J-50 reporting to all SELPAs (Appendix A).

In 2005, NW SELPA hired the independent consultant Jim Hooley to study the impact of the two MOUs. The recommendation was to distribute the NPS/NPA portion of \$952,300 to districts and continue the remainder of MOU #1 and there is no change to MOU #2. The position of SE SELPA at that time was to have no changes to both MOUs. After much discussion, NW SELPA also agreed to keep the MOUs in place.

In 2014, SE SELPA requested the Total School Solutions to do a study on SCCOE Special Education Fiscal. The MOU #1 was addressed only as a part of the study and the recommendation was to change the allocation of MOU #1 fund back to districts based on ADA. No action was taken on this recommendation.

During FY 2015-16, NW and SE SELPAs Directors and Fiscal Analysts met several times to review the impact of these MOUs to districts. The group independently prepared spreadsheets to track the AB602 funding, comparing total K-12 ADA revenue, changing of base rates over time, benefits received from MOUs. The recommendation was to continue the MOUs unchanged until such a time when the Special Ed funding formula is changed. The group also recognized that if the State Special Education Task Force's recommendation to fund more equalization between SELPAs at the State level is ever followed, our MOUs could gradually be reduced and/or phased out, as the lower funded SELPAs are brought up closer to the average across the county.

3. **Equity Adjustments:**

State equalization adjustments will be made in the event that the SELPA Base Rate per ADA is less than the State-wide Average Target Base Rate per ADA. There is no State Equalization funding for South East SELPA in 2017-18.

South East SELPA has agreed to the following methodology to equalize Base Rates per ADA between districts within the SELPA:

- For 2004-05 only, new COLA revenue was distributed to those districts which are below the SELPA average base rate.
- For 2005-06, equalization was calculated across the entire SELPA in this year.

In 2005-06 the State of California bifurcated the COLA for the first time resulted in the application of the COLA to only State and Local revenues. It changed the historic process of application of the COLA to Federal, State and Local revenue sources. The South East SELPA has reached equalization of the AB602 base rate and this bifurcation will result an inequality in each member district's base rate in future years. Districts in the SELPA, however, have agreed to keep the base rate equalized through an equity adjustment process.

4. **Annual Budget Plan and Annual Service Delivery:**

The 2017-18 Annual Budget Plan is due at CDE June 30 and for SELPA to meet this deadline, the prelim districts' budget will be used. This plan identifies the funds received (revenue) from local, state, and federal sources and costs (expenditures) of the delivery and support of the programs 0-22. The Annual Service Delivery Plan lists continuum of educational services and options provided to all students identified as requiring special education services.

5. **Basic Funding Model (2017-18):**

The California Department of Education annually allocates special education funding to SELPA based on the SELPA Base Rate per K-12 ADA. The South East SELPA base rate was calculated according to the following formula: 1997-98 revenue from State Special Education Apportionment, County Excess Property Tax Transfer, and Federal Local Assistance Grants were added together. Adjustments were

made to bring Inter-district transfer revenue and County Office Special Education revenue back to districts-of-residence. The net result was divided by the total K-12 ADA at P2 1997/98 for all districts in the SELPA, this became the base rate for SELPA. The base year was amended with the filing of the maximization of the 97/98 J-50s. (MOU # 2 attached). All subsequent years, the SELPA based rate will be adjusted by adding COLA, Growth/(Decline) and any other additional SELPA revenue per ADA.

In July 2013, CDE recalculated AB602 base by subtracting Federal Local Assistance, adding Federal Local Staff Development and PS/RS funding to 2013-14 base. This calculation in effect will permanently remove Federal Local Assistance from the formula as well as discontinue apportionment PS/RS as a separate line item. For subsequent years, only COLA and growth/declining will be added to the prior year base formula. The SELPA base rate also has been recalculated by dividing the new base amount to the SELPA ADA.

Base Rate for each district in South East SELPA was calculated in the same manner. Each subsequent year after 1997-98 and up to 2006-07, a district begins the year with the same revenue that it ended with in the previous year. A district's revenue increases by any allocation of COLA, growth/(decline), additional revenue per ADA, state/SELPA equalization revenue given to the district. At the end of each year, a new district base rate is calculated by dividing the current year revenue to the current year ADA and a comparison will be made of the district base rates-per-ADA within the SELPA to determine if an equity adjustment is needed. For the purposes of comparing district base rates, only the AB 602 formula will be used. South East SELPA districts base rate/ADA equalization was reached in 2005-06.

Due to the bifurcated COLA and Growth in 2005-06, districts' base rates in South East SELPA started to fluctuate again. SE SELPA realized that the intention of AB602 funding is to provide equity in district funding and has agreed that starting with 2007-08 and up 2012-13, the base revenue will be calculated as following: the total SELPA entitlement (excluding the amount for COE, COE Charter schools and MOU #2) divides by the total current year ADA (excluding COE and COE Charter schools ADA) to arrive an amount per ADA. This amount will be multiplied by the district's ADA and become the current year base revenue for district.

With the changes in AB602 formula in 2013-14, the calculation of district's revenue will be based on new SELPA entitlement excluding the amount for MOU # 2 and PS/RS allocation, divides by the total current year ADA to arrive an amount per ADA. This amount will be multiplied by district's ADA to become current year base revenue for district.

6. Non-Public School/Agency Costs:

Districts will continue to be individually responsible for the costs of Non Public Schools/Non Public Agency (NPS/NPA). Included in each district's base rate is the revenue received for reimbursement of NPS/NPA in the base year 1997/98. Any new students placed in NPS after July 1, 1998 will qualify for a reimbursement of an amount that is in excess of a specified threshold amount depending on CDE funds available (NPS Extraordinary cost)

7. Transfer of Fiscal Responsibility from Elementary to High School Districts:

If a student completes 8th grade or reaches age 14.9 by September 1, fiscal responsibility shall transfer to the high school district at the completion of extended school year (ESY). If a student, due to the severity of the disability does not complete a traditional course of study, but meets the Local Education Agency's (LEA) requirements for completion of a prescribed course of study, as designated in the student's IEP, the LEA shall award a certificate of completion and fiscal responsibility shall transfer to the high school district. If the IEP team determines that promotion to the 9th grade is not appropriate, fiscal responsibility shall remain with the elementary school district. Students attending non-public school are included in this procedure.

8. COE Funding Model:

A) Block Program Costs

The programs operated by the Santa Clara County Office Special Education (COE) are considered regional programs operated for students requiring specialized services. A "Building Block" model has been developed for the calculation of costs associated with these programs, and is included in Appendix D. The costs have been calculated for the basic programs with augmented costs for the more intensive services. The block costs have been reviewed, re-benched and increased over the years as in the details included in COE program cost section. Districts are charged by block method which is total cost of each type of block divides by total number of students in that block times number of district's student in that block.

During the 2008-09 school year, COE re-aligned several classes and realized that the block method will cause a shortage in revenue and has asked to change the rate calculation from block method to pupil cost method. The final rate for 2008-09 was based on 2007-08 cost per student. The request was approved by South East Executive Council on May 20, 2009.

The 2009-10 COE block programs have been re-benched with different way to allocate the DIS cost. Only a portion of APE, VI, and OM is included in the basic block foundation. Each block will have its own portion of SLP and OT cost.

The 2010-11 COE block programs were calculated by applying the negative COLA of (.38%) to the current 2009-10 block rates.

The 2011-12 COE block programs as well as 1:1 Aide and Health/SPHC Aide rates have been re-benched but not get approved until January 18, 2012 meeting due to a significant increase in costs for South East SELPA. COE agreed to subsidize this increase of Aides cost with \$1.5M from MAA, Title 1 and other revenue.

In February 2012, COE did a simple re-bench for 2012-13 block rates with average increase of 5% to all blocks due to increase in step, column and statutory benefit. The ED block has a new component for providing mental health service due to the suspension of AB3632.

The 2013-14 COE block rates have been re-benched with an average of 6% increase. Districts have been actively participated in the process and requested to have an agency/consultant to study the effectiveness and efficiency of COE program. COE agreed to have those rates be in effect for three fiscal years, 2013-14, 2014-15, and 2015-16.

In summer 2014, the Total School Solution company completed a comprehensive study of the special education program and fiscal operation of SCCOE. The two main components were identified in the study: a Program and Fiscal Operations Review, and a Staffing Analysis and Staff Discussion. There are several recommendations for each component and COE and districts have formed a Special Education Re-benching Study Committee to review and propose actions for these recommendations. With step and column as well as several negotiated salary increases, COE will not be able to keep 2015-16 rates the same as 2014-15 so they had a full re-benching to recalculate the block rates for 2015-16 which resulted in an average increase of 7%. The committee has recommended that COE will have a full re-benching annually in order to have a more accurate cost. The format for calculating block rate has been changed from a 2-page foundation cost with add-on components for each type of block to a one page with all costs detail. COE will use February pupil count to calculate cost for budgeting purpose, actual still will be on Dec/Apr average.

The 2016-17 rates have been re-benching with a result of 9% average increase. There are significant changes to ED and Autism blocks. In ED blocks, student therapy and Mental Health needs have been increasing, particular at the Middle school and High school levels. Currently all therapists in classrooms have to intervene in behavioral crises in addition to Mental Health crises which prevented them from providing their IEP-related therapy services. The committee recommended adding one Behavior supervisor and five Behavior Specialists to alleviate the additional service for the therapists. In Autism blocks, the needs for behavioral support have become more intense. SCCOE does not have employee positions to meet this need but has been contracting out to an agency for individual cases. It was agreed to start with addition of 3 BCBA's and 6 Behavior Aides and when the committee reconvenes in 2016-17

to determine the 2017-18 rates, they can consider whether to continue with this 3 BCBA's and 6 Behavior Aides or add additional staff.

The 2017-18 re-benchmarked rates include additional 3 Professional Development days and .25 hrs for paraeducators in each class except Deaf/OHH class as well as an addition of .25 hrs to all CTA. All these additions plus the annual increase of STRS and PERS rates resulted in an average increase of 9% to COE block rates.

**The Executive Council did not approve the 2017-18 re-benchmarked rates at the 5/17/17 meeting.
APPROVAL IS PENDING**

All county programs are based on an average ratio of one teacher to ten (1:10) students with the exception of the programs for students with autism, which is built on a one to eight (1:8) ratio. The funding allocation for COE students served in the base year (97-98) has been adjusted back to the district of residence. Charges for the COE programs will be deducted from the districts' allocation of County Excess Special Education Property Tax. The average number of pupil count in COE programs at December 1 and April 1 have been used to determine a district's cost of a specific block program, however, **starting 2017-18 the cost will be based on the average of 7-months count from October – April.** The 1:1 Aide and Health Aide costs will be charged to districts utilizing the services based on an average of 12-month count.

Costs for students enrolled in programs in the Alternative Schools Department (ASD) will be based on P2 Average Daily Attendance for Special Day Class (SDC) students. Starting 2016-17, **due to a change of MIS system from Faucette to SEIS/SIRAS, the Resource Specialist Program (RSP) students count will be based on monthly report generated from Summary Block Enrollment report.** The SDC and RSP costs of ASD will be allocated to all SELPAs in Santa Clara County by actual SELPA usage. South East SELPA will calculate the cost for each district based on its actual usage in the program.

Beginning in July 2013, the State of California implemented a new funding model known as Local Control Funding Formula (LCFF) for education of students in public schools. As a result of this model, the Revenue Limit Transfer for students with disabilities who attended county programs no longer exists. The calculation of COE costs for district will not have RL as an offset and therefore there will be an increase in districts' costs. Santa Clara County Office of Education and School Districts have created a MOU to allow South East SELPA and North West SELPA Administrative Units to adjust Special Education Revenue distribution from LEAs and transfer that amount to SCCOE as payment for the costs of students attending county programs (Appendix N). At the P1 certification of 2015, CDE updated the LCFF software to include an option for districts to transfer this LCFF amount to COE. However, districts in Santa Clara County have agreed to continue with the MOU and not to utilize this option.

B) Facilities Costs

All SELPA Executive Councils in Santa Clara County have approved a policy to cover housing for programs operated by the SCCOE Special Education Department on district operated sites. Each school district has the responsibility for providing classroom space for the number of resident students enrolled in COE Special Education programs. This housing policy specifies that when a district provides less space than its obligation, a housing fee will be added to the estimate of cost of COE programs for that district. A housing compensation will be issued to the district in the form of a cash journal when district provides more space than its obligation. The SELPA facilities committee each year will recommend the value to be used in the calculation of the housing fee or compensation (see Appendix E).

Starting with 2016-17, the custodial and utilities costs incurred at the 5 "SCCOE New Construction Sites" will be removed from the blocks costs and put into Facilities costs. Another change to Facilities Policy is for districts providing space for COE classroom, if they are unable to provide custodial, utilities and associated supplies, they will pay the actual cost for COE to provide the services.

During the re-benching rate for 2017-18, there was a question if non-classroom spaces should be given the same credit as classroom spaces, and the committee has requested to have a study group in the Fall of 2017 to analyze the rate setting process.

C) NPS cost for students in Children's Shelter

The NPS tuition costs for the current and extended school year for students temporarily placed in the Children's Shelter will be a district's responsibility if a district can be identified as student's district of residence, and that district placed the student in an NPS prior to the student being moved to the Children's Shelter. On the other hand, when a district cannot be identified, all the districts in Santa Clara County will share the cost based on the current year total K-12 P2 ADA.

D) COE Reserve

Any difference in revenues collected and actual cost of COE programs, after closing for current fiscal year, will be adjusted in the subsequent year. COE may carry over a reserve of Special Education revenue, which does not exceed 2% of its Special Education expenditures for the year, for the purpose of rate stabilization to districts. Any reserve in excess of 2% will be returned to districts on a rate-per-pupil attending COE programs basis.

E) COE Program and Service Cost Changes

In order for districts to have enough time making necessary adjustments to their budgets, the South East Executive Council at their January 18, 2012 approved the request that starting in 2012-13, by February 1st of the current year, COE will provide a preliminary report on SCCOE special education expenses and by March 1st the final changes and/or increases/decreases of all SCCOE programs and services for the upcoming budget year.

9. Out-of-Home Care Funding:

Beginning in 2004-05, the CDE eliminated the 100% reimbursement for the cost of NPS tuition for pupils residing in LCI (Licensed Children's Institution) and adopted a new funding formula per the requirements of SB 1108 (see Appendix F).

Annually, the state will calculate for each SELPA an amount for "out-of-home care funding" based on the combination of pupil count, number of beds and a rate varying by care level.

SB 1108 allows a 2-year "Hold Harmless" for 2004-05 and 2005-06 and 5-year reduction phase beginning in 2006-07 for SELPAs receiving less revenue based on the new formula.

Since the new funding formula provides less revenue than the 100% reimbursement, the districts in Santa Clara County will incur a deficit each year. From 2004/05 to 2006/07, the deficit was shared across all districts of Santa Clara County on a total k-12 ADA basis, regardless of where LCI is located.

For 2007-08 the North West SELPA has requested to include the cost of Skill Nursing Facility in the formula and the deficit was shared by countywide ADA. The same cost share method was applied to in 2008-09.

In October 2009 both South East and North West SELPAs hired a mediator to review this countywide share issue. A Memorandum of Understanding (MOU) was signed with the agreement that the revenue and expenses will continue to be shared countywide in 2009-10. Any deficit will be offset first by the carryover and if there is any remaining balance, the balance will be distributed by ADA to the AUs to use as they see fit. If excess costs in both AUs exceed revenue and the carry over, those costs will also be split by collecting the difference on an ADA basis. If only one AU has a deficit beyond the carryover, that AU will be responsible for the difference.

Beginning in 2010-11, the revenue will continue to come from the current sources, but will be separated by AUs for used on each group's costs. South East SELPA will apply the revenue to education cost of LCI students who are attending NPS, any deficit or excess revenue will be shared by districts' ADA.

With the introduction of AB403 (Stone) Foster Youth Continuum of Care Reform will transform group homes into Short-Term Residential Treatment Program (STRTPs). New census data will be taken on December 1 and new level and rate structures are to be in place by January 1, 2017.

SELPA Out of Home Care funding for 2016-17 has been "held harmless" at 15-16 levels. However, as of the time for developing Budget for 2017-18, calculation method has not yet determined. Due to this uncertainty, South East SELPA has projected no OOHRC revenue until officially certified by CDE.

10. **Mental Health Funding:**

Beginning in 2004-05 until 2010-11, as required by the SB 1895, the state has allocated pre-referral mental health funding to SELPAs based on a per-ADA basis. The funding is restricted to pre-referral service for special education students prior to referral for more intensive mental health service (government code 26.5). These services could include counseling and guidance services, psychological services, parent counseling and training, behavioral services and social work services. South East SELPA Executive Council has approved to use a portion of the current year SB 1895 to fund for the SELPA School Based and ED programs in the following year and the remainder will be returned to districts based on ADA. Starting with 2010-11, an amount of \$30,000 will be taken from this remainder and be used for a 3-tiered Behavior Intervention Staff Development Plan.

It was recommended that the South East SELPA districts create a coding mechanism to keep track and ensure that they are being used for pre-referral intervention activities.

On June 30, 2011 with the passage of Assembly Bill 114, the schools are now solely responsible for providing mental health services to students with disabilities. South East SELPA will receive the following funding to support the provision of mental health related services:

- A- One-time SB70 funding to reimburse County Mental Health for their service in fiscal 2010-11.
- B- IDEA Mental Health funding for mental health related services, including out-of-home residential services for emotionally disturbed pupils, required by an IEP. This funding is distributed to SELPAs based on a weighted basis data available from the CASEMIS system. SE SELPA then allocated to districts based on the average of ADA and pupil count.
- C- Proposition 98 Mental Health funding is distributed to SELPAs on an equal amount per ADA. Since the above SB1895 is now included in this funding, the SE SELPA Executive has approved to use a portion of this Prop 98 MH funding to fund for the SE School Based, ED programs and the Behavior Intervention Staff Development Plan. The remainder will be returned to districts based on the average of ADA and pupil count.

In 2011-12 only, the state also allocated AB100 funding to County Mental Health for their mental health services provided to special education students. All school districts in Santa Clara County developed a Memorandum of Understanding (MOU) with County Mental Health to access this funding.

In 2012-13 and beyond, SELPA continues to receive IDEA and Prop 98 Mental Health funding which will be allocated to districts based on their average of current year ADA and prior year December 1 pupil count after the initial deduction amount from Prop 98 Mental Health funding for SELPA use for item C above (Appendix L). However, starting in 2015-16, SELPA will not keep the \$30,000 for Behavior Intervention Staff Development Plan but rather returning it to districts for their own use.

The State requires districts to submit to SELPA/CDE their IDEA Mental Health expenditures on a quarterly basis and a final report at the end of the grant term. Districts will have to fully expend the grant entitlement or return any unused amount. There is no report requirement for Prop 98 Mental Health and the revenue can be carried over indefinitely.

During 2015-16, South East SELPA along with other 3 SELPAs undergone a Mental Health audit conducted by California State Auditors. The result of the audit is included in Appendix L. SELPA will need to provide 60-day, 6-month and 1-year updates on the following item: process to ensure that IEP teams

document the reasons of any changes in services and placement; process to ensure that IEP teams document the rationale for residential treatment; and process to obtain and retain copies of contractors personnel lists and credentials or licenses for personnel providing mental health services.

11. Inter-district Transfers:

There are four different forms to calculate the costs, depending on the program that served the students to be used in inter-district transfers process (Appendix I)

If the district-of-service and district-of-residence are both within the South East SELPA, the SELPA office will record the information and adjust apportionment distribution to districts accordingly based on the worksheets submitted. The cost of serving the transferred pupil will be subtracted from the district-of-residence's special education apportionment and added to the apportionment for the district-of-service.

If either district is outside of the South East SELPA, the district of service will invoice the district of residence for the costs of the service. The SELPA office does not bill for these costs.

District-of-service cannot bill district-of-residence for students on an inter-district transfer because of parent employment/Allen Bill. District-of-residence may request for documents verifying parent employment to confirm continued inter-district transfer qualification under Allen Bill.

This procedure does not apply to inter-district transfers initiated by districts for program availability purposes. In this case, districts will process a Memorandum of Agreement (MOA) which was approved by Executive Council on March 16, 2016 and bill each other directly using MOA calculation cost worksheet.

Inter-district Student Transfers (Based on Average Costs)

The districts in the South East SELPA have agreed not to bill for costs for traditional special education services. Cost transfer within the South East SELPA only occurs under certain circumstances: the addition of a support instructional assistant, counseling, mental health services, nursing services, translator, costs associated with highly specialized program (example: autism). An "Average Costs" transfer worksheet will be completed by districts and submitted to the SELPA fiscal advisor. The transfer worksheet shall report services provided on December 1 and April 1 to non-district students, in order to calculate those costs.

Designated Regional Program Student Transfers (Based on Actual Costs)

SELPA Regional Programs, in this context, refer to those programs designated by the SELPA as specialized, requiring full funding to safeguard their existence and operation for the benefit of the SELPA. For regional programs, actual costs rather than average costs will be used for the calculation. If a district operates a SELPA regional program, this district will use the "Actual Costs" worksheet to calculate the charges to the district-of-residence of students attending the program. If SELPA operates the regional program, SELPA office will calculate the costs to the districts accordingly.

The South East SELPA regional program transfers will be charged based on standard loading during the school year. Additional cost due to low-enrollment will be adjusted at the end of the year, and shared by all districts in the SELPA based on district's ADA.

Extended School Year for Regional Program (Based on Actual Cost)

The extended year funding was rolled into individual district's base when the state changed the SELPA funding from the old J-50 model to the new AB602 model. South East SELPA recognizes that with the passage of time and increased costs, districts operating regionalized programs are not adequately funded for extended year and has created a ESY form as a method of reimbursement for these costs.

Inter-district Student Transfers MOA (Based on Actual Costs)

District will use this form to calculate the actual cost when the inter-district transfer is initiated by district that need the program. District of service will bill district of residence directly.

12. Unallocated Funds:

Any unanticipated or unallocated funds coming to the South East SELPA will be reported to the SELPA Operations and Fiscal Committee for review and recommendation as to allocation. A recommendation for allocation will be made to the Executive Council.

13. SELPA Growth/(Declining) Funds:

Beginning 2007-08 growth or declining funds will be provided as informational item only in Revenue Projection since the base revenue will be calculated on the total entitlement per ADA rate. Growth or declining calculated at SELPA level will be based on Statewide Rate per ADA and the change in total K-12 ADA to the current year from the previous year. Since the CDE calculates growth/declining based on Statewide per ADA rate, SELPA base rate and total SELPA ADA of three year periods, the growth/(decline) amount for each district will be adjusted to reflect the difference.

14. SELPA COLA Funds:

100% of COLA revenue will be apportioned to all districts in the South East SELPA based on the CDE calculated dollar rate per ADA. There is 0% of COLA in funding for 2016-17 revenue.

15. Charter School Policy - Summary:

Students enrolled in charter schools are entitled to special education services provided in a manner similar to students enrolled in other public schools. Special education and related services shall be provided to all eligible individuals within the jurisdiction of Santa Clara County in accordance with the SELPA Local Plan. No governing board shall grant a charter unless the charter includes assurances that special education instruction and/or services shall be provided to all eligible disabled students enrolled in the charter school in accordance with the SELPA Local Plan.

Students enrolled in a charter school chartered by the Santa Clara County Office of Education are entitled to special education services provided in a manner similar to students enrolled in other public schools. The SCCOE shall be responsible for ensuring that all children with disabilities enrolled in the charter school receive special education and designated instructional services in a manner that is consistent with all applicable provisions of state and federal law. The methodology for funding special education services shall be identified in the charter school memorandum of understanding with the SCCOE. The SELPA where the charter school is located will distribute special education funding to the SCCOE which will use these fund to fund the actual cost of special education services provided by the Charter School up to the total amount generated. The unused funds, if any, will be returned to the SELPA of residence.

Charter schools categorized as a Public School within a Public School District will participate in the state and federal funding in the same manner as other schools within the chartering district. The chartering district shall be responsible for ensuring that all children with disabilities enrolled in the charter school receive special education and designated instructional services in a manner that is consistent with all applicable provisions of state and federal law.

A charter school may apply to become a LEA for the provision of special education services. The Executive Council shall determine whether the charter school has provided requisite assurances. Once approved as a LEA, the charter school shall participate in the governance of the SELPA in the same manner as other districts within the SELPA. It will also receive state and federal funding for special education in the same manner as other districts within the SELPA. The charter school will also be responsible for all costs incurred in the provision of special education services.

16. **Interest on SELPA Pass-through Revenues:**

Distribution to districts of interest accrued on SELPA revenues will be calculated as a percentage of districts' Special Education state aid to total Special Education state aid distributed to all districts by the SELPA AU, at the end of the fiscal year.

17. **Sharing of cost for serving students residing in LCIs and served in COE and district programs:**

This cost will be shared by all districts within the same SELPA AU based on a district's percentage of total K-12 ADA within those SELPAs. Charges to districts sending LCI students to COE programs will be credited to the amount payable to the COE for that student. Districts serving LCI students in district programs will be credited \$20,000 for students with severe disabilities (ED, Autistic, OI, Deaf, VI and TBI), and \$11,000 for students with non-severe disabilities (SLD and MR). Excess Group Home revenue after paying for education costs for LCI students who are served by NPS will be used to offset these costs.

18. **Maintenance of Effort:**

The federal special education law, Individuals with Disabilities Education Act (IDEA), prohibits the use of special education dollars to reduce the level of state and local special expenditures below that of the prior year. South East SELPA has developed a policy to comply with the requirements of the Maintenance of Effort (MOE) (Appendix G).

Starting 2016, MOE for LEA/SELPA will need to meet the federal Subsequent Years rule in which when an LEA fails to meet the MOE test in one year, the LEA is required in subsequent fiscal years to maintain effort at the level prior to the failure. Thus the LEA must calculate its level of the effort on the most recent fiscal year in which the MOE test was met.

19. **Federal Local Assistance Offset to Cost of COE programs:**

A countywide Fiscal Subcommittee has assembled in 2006-07 to analyze the current practice of using COE's Federal Local Assistance grant as an offset to the cost of COE programs billed back to districts, and the effect of this use of Federal Local Assistance revenue on the calculation of district Special Education revenue in the SELPA Revenue Projection spreadsheets, line items "Balance to SELPA level state aid", and "Cost of COE programs".

The Subcommittee has proposed that the COE's portion of Federal Local Assistance will be used as a method of paying for COE cost and the COE revenue generated from the Alternative School Department (ASD) will be distributed to districts. This will eliminate the "Balance to SELPA" line and will reflect the COE cost more accurately. The Executive Council approved this change to be effective as of 2007-08.

20. **Parentally-Placed Student in Private School Proportionate Funding:**

Recent changes in Federal law required that each LEA must spend a proportionate amount of Federal on providing special education and related services to parentally-placed private school children with disabilities.

The amount is calculated each year based on prior year December pupil count and a formula provided by the State. **Starting 2016-17, districts will have to submit the "Proportionate Share Calculation" worksheet to CDE showing the set aside amount**

If an LEA has not expended this amount by the end of the fiscal year for which Congress appropriated the funds, the LEA must obligate the remaining funds during a carry-over period of one additional year (Appendix H). At the end of this carry-over period, any unused amount will be returned to the state.

21. **Excess Costs:**

IDEA regulations require that recipients of IDEA funds, as a condition of assistance, certify that certain criteria are met. One criterion is the Maintenance of Effort (MOE) requirement and the other is the Excess Costs test.

Excess costs are costs in excess of the average annual-per-student expenditures (all resources) in an LEA during the preceding school year for an elementary or secondary school student. An LEA must meet the excess cost requirement by demonstrating that at least a minimum average amount has been spent on the education of its students with disabilities before funds under Part B of IDEA are used. This is to be demonstrated annually through a particular calculation that is maintained at the SELPA office for auditing purposes in order to meet federal regulations (Appendix M).

Districts are required to annually submit Excess Cost reports to SELPA. SELPA will consolidate all reports and submit it to CDE.