May 24, 2022

The Honorable John Laird, Chair
Senate Budget and Fiscal Review Subcommittee No. 1 on Education
1020 N Street, Room 502
Sacramento, CA 95814

The Honorable Kevin McCarty, Chair
Assembly Budget Subcommittee No. 2 on Education Finance
State Capitol, Room 6026
Sacramento, CA 95814

Dear Subcommittee Chairs:


**Apply 6.56% COLA to Increase Base Funding to $850 per ADA**

The May Revision unfortunately provides zero additional resources for students with disabilities even though the cost-of-living adjustment (COLA) has increased to 6.56%. The Local Control Funding Formula (LCFF) is proposed to receive both that increased COLA and an additional $2.1 billion to acknowledge increasing cost pressures, the same pressures that apply to the specialized services in a student’s Individualized Educational Program (IEP). The staffing shortages and substitute shortages has forced us to raise our rates for most positions and both certificated and classified positions. We had open positions for the entire school year which has caused us to rely on private tele-service programs for educational assessments and speech therapy. Tele services are significantly more expensive than in-person services as they bill for every item. We had to hire a new mental health clinician and increase the hours for all the other mental health clinicians in order to meet the needs of the students. We also had to hire another occupational therapist, speech therapist and behavior support specialist due to the number of incoming kindergarten students who have had little to no early intervention. This is due to a variety of factors outside of our control which include; Regional Centers stopped their vendors from providing in-home supports to families, parents could not get spots for their children in daycares or preschools due to COVID ratio restrictions and many parents chose to keep their children at home with no services because of fears about the pandemic.
Additionally, the same current-year attendance declines affecting the LCFF affect special education funds without a corresponding proposed mitigating mechanism. So, while students with disabilities’ general education funding is being protected, their special education resources are not, meaning a district’s excess costs will continue to grow.

Furthermore, the percentage of students with disabilities is on the rise, both in the short and long term. This is not due to an overidentification of students, but that students without disabilities are leaving California schools at a faster rate than those with disabilities, who are staying in California for the robust programs we offer. While (insert district names) districts are experiencing declining enrollment, the number of students identified on an IEP has increased by 4% since last year. We have been in-person for the majority of the year last year and families have moved to our area for the services. We have also seen the severity of our student population increase, in our programs for students with significant disabilities in the 20-21 school year we had 71 total students in the county and we added 4 more students this year. While that does not sound like a huge number, in our small rural county that is very costly. Some of those students need 1:1 aides, behavior specialists, speech therapy, occupational therapy and transportation, which are all costly programs. We have also seen an increase in the number of students who need significant mental health supports at school in order to attend their school day. Additionally, we expect the number of students with disabilities to continue to increase as we begin to understand the depths of our students’ needs from the school closures, quarantines and staffing shortages of the last 2 years.

We continue to be concerned that some local educational agencies (LEAs) and Special Education Local Plan Areas (SELPAs) would receive net fewer dollars in 2022-23 compared to 2021-22 due to the removal of the one-time, COVID-related funds. According to our estimations, more than two dozen SELPAs would receive fewer dollars, which could cause these LEAs to be out of compliance with their maintenance of effort (MOE) requirement and jeopardize federal special education dollars. Therefore, we respectfully request the per average daily attendance (ADA) amount in 2022-23 to be increased from the proposed $820 to $850. We estimate this will cost an additional $180 million to ensure our districts do not fall out of MOE compliance.

Finally, we support the Governor’s proposal to calculate special education funding at the LEA level (while retaining the SELPA structure), which will help to mitigate funding losses when a SELPA like ours comprises both declining and growing member LEAs.

Reject Educationally Related Mental Health Services Funds Proposal

We continue to be concerned about the disruption in mental health services for students with disabilities under the Governor’s proposal to shift Educationally Related Mental Health
Services funds from SELPAs to LEAs on July 1, 2022. Transitioning such a complex system should be done with care and a thoughtful approach. An abrupt transition to such a complex program places some of our most vulnerable populations in dangerous situations.

It is critically important to note that not all of these dollars are flexible; some are federal Individuals with Disabilities Education Act (IDEA) dollars, and to send them to all LEAs, which are not prepared for the corresponding reporting and audit requirements that come along with these federal funds, will cause a significant burden both for all LEAs and for the California Department of Education. We fear that small LEAs may find themselves out of compliance, putting at risk federal funds at both the local and state levels.

We are very concerned about the potential disruption in mental health services for students if funding is shifted in less than two months. Our LEAs rely on their SELPA to provide and coordinate all these services on their behalf since they do not have the staffing or capacity to take on this responsibility locally. We are also very concerned that our member LEAs will receive too few dollars on their own to provide these costly but critical services from service providers that are in short supply.

We believe the volatility caused by defunding existing, regionalized mental health programs will be hugely detrimental to our students. And we believe the demand for these dollars will only increase for students with disabilities recovering from the trauma of the COVID-19 pandemic.

Therefore, we oppose the Administration’s proposal to shift these funds from SELPAs to LEAs and instead recommend the Legislature study the effects of the flexibility provided less than two years ago.

**Support Early Learners with Disabilities’ Proposals with Additional Eligibility**

We support the Newsom Administration’s proposal for preschoolers with disabilities to create the California State Preschool Program (CSPP) categorical eligibility, increase and equalize their adjustment rate, and set aside and fully fund 10% of the CSPP slots at each provider. We also appreciate the high priority given to preschoolers with disabilities; however, we ask that all preschoolers with disabilities have this high level of priority, regardless of income level. Finally, we would like to ensure that preschoolers whose IEP calls for a preschool program of less than five days a week are able to access these slots.

In addition to these ongoing CSPP slots, we support the Governor’s one-time proposals to increase the inclusivity of these preschool programs through a $500 million investment in the Inclusive Early Education Expansion Program, and $62 million to incorporate early
identification for learning disabilities into the state’s preschool assessment tools and provide training for educators on effective use of these tools. We agree with the Legislative Analyst’s Office (LAO) assessment that non-LEA-based providers—and preschoolers with disabilities who attend these programs—are more likely to benefit from these supports. Therefore, we would recommend the state give priority to LEA grant applications that include non-LEA-based providers and support the LAO recommendation to provide more direct access to supports for non-LEA-based providers through non-Proposition 98 funds.

Integrate Students with Disabilities Fully into the Local Control and Accountability Plan

We applaud the Newsom Administration’s proposals to better integrate students with disabilities in local planning by proposing the inclusion of parents/guardians of students with disabilities in the Local Control and Accountability Plan (LCAP) parent advisory committee. We also appreciate the proposal to require an LCAP Addendum for students with disabilities for some LEAs; however, we do not believe this proposal goes far enough. Instead, we respectfully request the full inclusion of academic outcomes for students with disabilities within the LCAP of every LEA. We believe this will more fully meet California’s goal of full inclusion of students with disabilities and transparency of the programs that are serving them.

Fully Fund Extraordinary Cost Pools

The Extraordinary Cost Pool (ECP) has been historically underfunded, providing pennies on the dollar for costly, required student placements in nonpublic, nonsectarian schools and special education-related services for student residing in licensed children’s institutions. These placements are by default the educational option of last resort, providing services an LEA cannot, but are determined by a student’s IEP team to be the right service for the student. As of 2019-20, the last normal year, the current ECP received $19.4 million in claims against the $6 million pool, meaning each dollar of the ECP claim was reimbursed with $0.21.

We respectfully request that the ECP be increased by $14 million to fully fund the most recent “normal” year of claims. We reject the notion that a more adequate level of funding would incentive these costly placements, which are based on an IEP team’s determination of need.

Finally, we appreciate the May Revision language ensuring Necessary Small SELPAs continue to be able to access full reimbursement, recognizing that small schools are even more fiscally vulnerable to these placements than other LEAs.
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Glenn County Office of Education

cc: Members, Senate Budget and Fiscal Review Subcommittee No. 1
    Members, Assembly Budget Subcommittee No. 2 on Education Finance
    Erin Gabel, Assembly Budget Subcommittee No. 2 on Education Finance
    Yong Salas, Senate Budget and Fiscal Review Subcommittee No. 1 on Education
    The Honorable Toni Atkins, Senate President pro Tempore
    The Honorable Nancy Skinner, Chair, Senate Budget and Fiscal Review Committee
    The Honorable Anthony Rendon, Speaker of the Assembly
    The Honorable Philip Ting, Chair, Assembly Budget Committee
    Michelle McKay Underwood, Legislative Advocate, Coalition for Adequate Funding for Special Education

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