



2021 School Finance Conference

July 15, 2021

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Special Education

■ The 2021–22 State Budget has several new or revised funding streams for special education:



Increased statewide rate and COLA for Special Education Local Plan Areas (SELPAs) funded on their historical rate



\$15 million one-time for support of the Supporting Inclusive Practices project



\$260 million for Special Education Early Intervention Preschool Grant

• The outdated Out-of-Home Care Formula has been overhauled and the number of Family Empowerment Centers are increasing



\$5 million increase on low-incidence disabilities funding

• A study will examine special education nonpublic school or agency placements



\$550 million one-time related to COVID-19 learning loss

• The state is providing additional funds for the California Department of Education (CDE) to address special education complaints, perform court-ordered special education monitoring and purchase special education monitoring software

• And as we have seen before, there is also language calling for statutory changes to improve the academic outcomes of individuals with exceptional needs

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Special Education—Base Funding and Low-Incidence Funding



The 2021–22 State Budget increases the special education base rate from \$625 to \$715 per ADA

- A nearly 15% increase



Additionally, the few SELPAs with a funding rate above \$715 will receive the 4.05% compounded COLA on their local funding rate

- While a smaller increase than the state rate, when the special education funding formula was revised in 2019–20, it was intended that these SELPAs receive no COLA until the state rate caught up to them



Last year’s State Budget increased funding nearly tenfold to **\$118** million for students with low-incidence disabilities

- The funding has been increased to \$123 million, which continues to be allocated to SELPAs based on a per-pupil count of students with low-incidence disabilities

Special Education Early Intervention Preschool Grant







- Although the Legislature had intended to fund preschoolers through the base funding formula, ultimately the Governor prevailed in sending \$260 million into the existing (although unfunded since 2019–20) Special Education Early Intervention Preschool Grant, with some changes compared to the 2019–20 version

	2019–20	2021–22
Data Point	Preschoolers with disabilities	First Graders with disabilities
Statewide Amount	\$492 million	\$260 million
Per-Pupil Amount	\$9,010	Approximately \$5,900
Ongoing or One time	One-time	Ongoing
Restricted or Unrestricted	Unrestricted	Restricted to particular uses

- The funds, which are apportioned to districts, “shall supplement existing special education resources currently required to be provided pursuant to federal and state law and promote a targeted focus on services and supports being offered in inclusive settings, to the extent practicable”







Special Education Early Intervention Preschool Grant

- LEAs shall use the funds to provide services and supports in inclusive settings that have been determined to improve school readiness and long-term outcomes for infants, toddlers, and preschool pupils from birth to five years of age, including:

-  Early intervention services who are not meeting age-appropriate developmental milestones and are at risk for being identified as eligible for special education
-  Wraparound services for preschool children that are not required in an IEP
-  One-time programs, services, or resources for preschoolers with disabilities that are not required in their Individualized Education Program (IEP)
-  Expansion of inclusive practices to ensure access to the least restrictive environment
-  Strategies to improve pupil outcomes including inclusive educational programming
-  Professional development for preschool teachers, administrators, and paraprofessionals on evidence-based strategies to build capacity to serve preschool children with exceptional needs in more inclusive settings

COVID-19 Special Education Funding

- The 2021–22 State Budget provides a total of \$550 million one-time to address COVID-19 learning recovery for students with disabilities and to encourage the resolution of disputes in the most collaborative, least costly manner possible

- There are two distinct pots of one-time funds:
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 - \$100 million for dispute resolution, estimated at \$125 per pupil
 - \$450 million for learning recovery services, estimated at \$564 per pupil
 -  SELPAs are responsible for developing plans by October 1, 2021, on how to spend the funds
 -  Both pots of funds will be allocated to SELPAs on a per-pupil basis based on pupils with exceptional needs, ages 3 through 22
 -  Funds may be encumbered until June 30, 2023, and any unencumbered funds must be sent back to CDE at that time
 -  Funding will be provided by the CDE to SELPAs no later than August 31, 2021
 -  Reports are due back to CDE on the use of funds by fall 2023

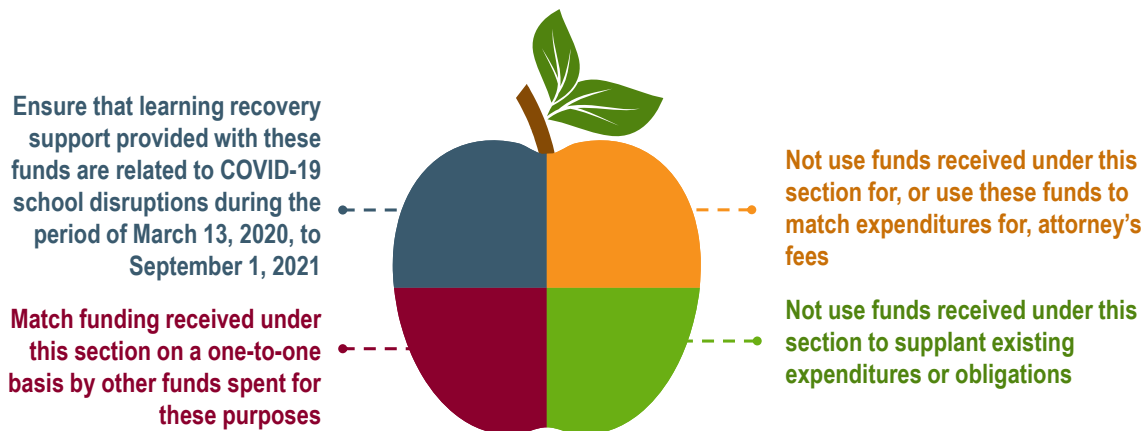
COVID-19 Special Education Funding—Dispute Resolution

- \$100 million is provided for supporting member LEAs in conducting dispute prevention and voluntary alternative dispute resolution (ADR) activities to prevent and resolve special education disputes resulting from school disruptions stemming from the COVID-19 pandemic
 - While some funding may be retained by the SELPA, at least 80% must be provided to member districts based on their Fall 1 special education data for the 2019–20 or 2020–21 fiscal year, whichever is greater
 - LEAs shall use the resources for the following:



COVID-19 Special Education Funding—Services

- \$450 million is provided for learning recovery support to pupils, associated with impacts to learning due to school disruptions stemming from the COVID-19 pandemic
 - In expending funds, SELPAs and LEAs shall:



Federal Special Education Funding

- The American Rescue Plan Act (ARPA) provided a one-time increase to Individuals with Disabilities Education Act (IDEA) funding, which provides \$277.7 million to be apportioned as part of the 2021–22 State Budget
 - \$256.4 million for grades Pre-K through 12
 - \$21.4 million for preschool
- For the federal fiscal year starting October 1, 2021, President Joe Biden has proposed an ongoing increase similar to the one-time funding provided through ARPA
 - \$15.5 billion (a \$2.6 billion increase) for grades Pre-K through 12
 - \$732 million for early intervention services for infants and toddlers with disabilities (an increase of \$250 million above the 2021 enacted level)

Supporting Inclusive Practices Program

- The Supporting Inclusive Practices Program is provided \$15 million to increase opportunities for pupils with disabilities to meaningfully participate in the least restrictive environment and improving LEAs' outcomes on performance indicators of IDEA or the California School Dashboard
- The program will provide technical assistance and grants to LEAs focused on envisioning, building, implementing, and scaling up evidence-based practices to increase inclusion of children and pupils with disabilities in prekindergarten through grade 12
 - Priority is given to LEAs that are identified by the CDE as requiring intensive support to improve outcomes for pupils with disabilities