

Glenn County Special Local Plan Area

Plan for Allocating State and Federal Funding and Monitoring Federal Funding Requirements

Statutory Requirement

California Education Law requires that a SELPA's Local Plan contain a methodology for distributing state and federal funds to the local education agency members of the SELPA.

E.C. 56195.7..... (i) For multidistrict special education local plan areas, a description of the policymaking process that shall include a description of the local method used to distribute state and federal funds among the local educational agencies in the special education local plan area. The local method to distribute funds shall be approved according to the policymaking process established consistent with subdivision (f) of Section 56001 and pursuant to paragraph (3) of subdivision (b) of Section 56205.

Guiding Principles

The Glenn County SELPA has used the following guidance from California's Master Plan for Special Education in the development of this allocation plan.

The objectives essential to the construction of an equitable finance plan for special education are as follows:

1. Provide adequate resources to assure equality of educational opportunity for all individuals with exceptional needs.
2. Provide levels of support for special education programs which will promote programs and services of equal quality.
3. Provide encouragement for the development of comprehensive programs.
4. Promote both program and fiscal accountability.
5. Clarify fiscal relationships between state, county, and district.
6. Ensure equity in support levels among various program components.
7. Provide adjustments in support levels to reflect changing costs.
8. Provide support based on needs of pupils enrolled in education-funding based on specified programs and services rather than on categorical disability groupings.
9. Ensure that reporting and auditing policies and procedures are meaningful for evaluation and program development.
10. Provide methods for monitoring and evaluating quality control in special education
(California Master Plan for Special Education, California State Board of Education, Jan. 10, 1974)

Process for Allocating AB 602 State Aid and IDEA Local Assistance Funding

For each local education agency that provides special education services to its resident students with disabilities, the SELPA AU shall determine what percentage of their resident students with disabilities they primarily serve and what percent that they have the Glenn County Office of Education and other local education agencies primarily serve.

The AU shall then prorate the ADA reported by those local educational agencies at P-2 of the prior year by multiplying the total ADA reported by the percent of resident students with disabilities each local educational agency primarily serves. (Egs. District reports 1000 ADA and has 100 students with disabilities residing in it, of which 15, or 15%, are primarily served by the county office of education. The ADA for the purposes of allocation is reduced to 850 from 1000 to reflect that 15% of the students with disabilities residing in the district are primarily served by the county office of education.

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From the total ADA reported within the SELPA at P-2 of the prior year, the AU shall subtract the prorated ADA computed for each local educational agency primarily serving its resident students with disabilities. The remaining ADA shall be credited to the Glenn County Office of Education for the purposes of allocating state and federal funds.

The AU shall then compute the percentage of the total ADA that is represented by the ADA credited to the Glenn COE and the percentages of the total ADA that are represented by the ADA credited to each local educational agency primarily serving its own resident students with disabilities.

The resulting percentages shall be multiplied by:

- the net AB 602 Aid Base Funding available to the SELPA (net is the base funding minus the federal local assistance funds and the property tax revenue)
 - the total IDEA Local Assistance Funding available to the SELPA
 - the total COLA funding available to the SELPA, and
 - the total Growth funding available to the SELPA or the total enrollment decline recapture amount
- to determine the amounts of AB 602 State Aid and IDEA Local Assistance Funding to allocate to the Glenn COE and each local education agency primarily serving its own resident students with disabilities.

If there is growth, all program providers share in the growth funding proportionately and, if there is recapture resulting from enrollment decline, they all share the revenue loss proportionately.

These allocated amounts shall be reviewed and, as appropriate, adjusted at each certification of apportionment conducted by the State.

All other state and federal funding shall flow to the SELPA AU. Use of those funds will be determined annually by the governance of the SELPA.

The allocation plan should be reviewed and, as appropriate, revised, whenever it appears to have become inequitable, but not less often than every three years.

Process for Monitoring the Appropriate Use of State Aid and IDEA Local Assistance Funding

Federal Restrictions and Requirements

The IDEA sets forth specific restrictions on the use of federal funds. These restrictions have been included in the elements of this allocation plan

§ 1413. Local educational agency eligibility

(a) (2) Use of amounts

(A) In general

Amounts provided to the local educational agency under this subchapter shall be expended in accordance with the applicable provisions of this subchapter and—

- (i) shall be used only to pay the excess costs of providing special education and related services to children with disabilities;
- (ii) shall be used to supplement State, local, and other Federal funds and not to supplant such funds; and

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- (iii) shall not be used, except as provided in subparagraphs (B) and (C), to reduce the level of expenditures for the education of children with disabilities made by the local educational agency from local funds below the level of those expenditures for the preceding fiscal year.

Although the definition of “excess costs” has been in the IDEA since its enactment in 1975, it wasn’t until the IDEA was re-authorized in 2004 that the U.S. Office of Special Education Programs (OSEP) provided guidance for the determination of “excess costs” The Glenn County SELPA has incorporated the “excess costs” principle in the development of this allocation plan.

Except as otherwise provided, in this chapter:....

..... **(8) Excess costs**

The term “excess costs” means those costs that are in excess of the average annual per-student expenditure in a local educational agency during the preceding school year for an elementary school or secondary school student, as may be appropriate, and which shall be computed after deducting—

(A) amounts received—

(i) under subchapter II (of this Act);

(ii) under part A of title I of the Elementary and Secondary Education Act of 1965 [20 U.S.C. 6311 et seq.]; and

(iii) under parts A and B of title III of that Act [20 U.S.C. 6811 et seq., 6891 et seq.]; and

(B) any State or local funds expended for programs that would qualify for assistance under any of those parts. *(Parenthetical note added)*

The second requirement, “supplement, not supplement” and the third requirement, “federal funds may not be used to reduce the expenditure of local funds for the provision of special education services,” constitute what is usually referred to as “maintenance of effort.”

Underlying Assumptions

The assumptions that form the foundation of this monitoring model are:

- With few exceptions, all students are residents of a specific school district or local education agency. The only exceptions are infants/toddlers and those students enrolled in alternative education programs and charter schools operated by the Glenn County Office of Education. In those cases, each program will be considered an individual local education agency for the purposes of this monitoring model.
- It is the responsibility of each member LEA and the SELPA to assure a free and appropriate education for each special education pupil residing within its geographical boundaries. This responsibility shall be met by direct provision of services, establishing an agreement with another public education agency, or contracting with non-public school and agencies. The allocation plan for distribution of resources must recognize the responsibility for all children in the SELPA while addressing the need to equitably share resources among the districts and county office of education. The allocation process and procedures are for the distribution of available resources and are not a restriction of services to be provided for eligible pupils.”
- The allocation plan is the means by which the SELPA distributes funds it receives from county property taxes, state, and federal sources to the local educational agencies for the purpose of assistance in paying the excess costs of providing special education services.

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- It should be kept in mind that these are "communal monies" and are not the "private property" of the recipient. Each member has a legitimate stake in the equitability of the allocations and in how other members use the resources.
- The guiding principle should be that no member accrues undue benefit at the expense of other members. Thus, the allocation model must be fair, equitable, and transparent to all members."
- Students with disabilities are students first and are thus entitled to their proportionate share of the local educational agency's resources for the purposes of providing them with a full education, including general and special education programs and services, without regard to "where" they may be receiving those services.
- The money intended to provide students with disabilities with both general and special education services should "follow the child" if he/she is primarily served by a local education agency other than the one in which he/she resides.
- Most students with disabilities spend most of the school day in general education classroom settings and that should be taken into consideration when determining when "excess costs" for special education should begin to accrue.
- Although OSEP refers to "total expenditures" as the beginning point of determining the Average per Pupil Expenditure, it does not clarify that term. In the absence of any specific instruction from OSEP or the California Dept. of Education, the total expenditures used by the State to determine the current expense of education per average daily attendance will be considered as the "total expenditures" for this monitoring plan.
- Since the State's current fiscal accounting system for education does not lend itself to determine average per pupil expenditure rates for elementary and secondary school programs, a single district-wide average per pupil expenditure rate will be utilized in the allocation plan
- Because federal funds may not be used to replace local, state, and other federal (forest reserve, MAA, etc.) funds, local education agencies should spend resources for educating students with disabilities in the following order:
 - ✓ local average per pupil funding including other state funds and unrestricted federal funds;
 - ✓ state special education funding; and,
 - ✓ federal special education funding.
- Expenditure standards are established based on the expenditures reported in the year prior to the fiscal year in question.

Determining the Support Required From Local Resources

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For each local education agency, the SELPA Administrative Unit shall annually compute the Average per Pupil Expenditure (APPE) and the total fiscal support that the districts must provide for the education of students with disabilities before AB 602 state funds and IDEA federal funds can be expended by them or in their behalf.

In the absence of any specific guidelines from the State or the U. S. Office of Special Education Programs with regard to “total expenditures,” the AU shall identify the total expenditures used by the State to determine the Current Expense of Education for each local education agency for the immediate prior year. Once the State or OSEP has established specific guidance for determining “total expenditures,” those amounts shall be used instead of the total expenditures used by the State to determine the Current Expense of Education.

From that amount, the AU shall first reduce the total expenditures for each local education agency by subtracting any amounts used for capital outlay and/or debt service that may be included therein. Second, the AU shall subtract expenditures made by each local education agency from federal, state, and local funds for the following purposes:

- Programs and services specified by IDEA
- Programs and services specified by ESEA, Title I, Part A
- Programs and services specified by ESEA, Title II, Parts A & B

The AU shall then divide the remaining total expenditures for each local education agency by each agency’s total adjusted CBEDS count conducted in October of the immediate prior year to determine the Average per Pupil Expenditure (APPE) for each local education agency. The reported CBEDS is adjusted by subtracting the number of pupils reported who are residents of another local education agency and adding the number of pupils who are residents of the local education agency but reported by another local education agency.

The AU shall then determine from the SELPA’s special education management information system (SEMIS) the total numbers of students with disabilities, either ages 5 through 21 or grades k through 12, who are residents of the school district, charter schools acting as a local education agency, charter schools operated by the Glenn County Office of Education, or alternative educational programs operated by the Glenn County Office of Education. It shall then multiply the APPE for each local education agency by the agency’s number of resident students with disabilities to determine the total amount that must be expended for the education of its students with disabilities. Once this threshold has been expended, state and federal resources may then be used to pay the excess costs of special education services for these students.

Monitoring the Threshold Requirement

Once the APPE threshold is established, expenditures must be made from that amount BEFORE state aid and federal local assistance can be used to help pay the excess costs of providing special education services.

Clearly, not all of the APPE funding has to be used to provide special education services. Since most students with disabilities actually spend the greatest majority of their school day in general education settings, part of the APPE funding must go to support that portion of the education being provided. This information is available within the SELPA’s special education management information system. Each

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student with a disability has an IEP which stipulates the percent of the school day that the student will be in general education settings.

The AU can use that information to differentiate between those students with disabilities primarily served by their local educational agency of residence and those primarily served by the Glenn COE or another local education agency. Totaling the percent of time each student primarily served by its local educational agency spends in general education settings, it can calculate a “full-time student equivalence” (FTSE). Multiplying that figure by the APPE calculates how much of the APPE threshold is expended for the education of students with disabilities in the local education agency’s general education settings.

The AU shall then determine the number of students with disabilities from each local education agency who are primarily served by the Glenn COE or another local education agency. The number of from each local education agency is multiplied by that agency’s APPE to determine how much of the APPE threshold should “follow” the child to the agency primarily providing the general and special educational services.

The AU shall also determine the number of students with disabilities primarily served by the local education agency in which he/she resides but also receives regional services from the Glenn COE. The number of from each local education agency is multiplied by a factor of .25 and that product is multiplied by that agency’s APPE to determine how much of the APPE threshold should “follow” the child to the agency providing regional special education services.

Since most of those students with disabilities are likely to be in special class settings, the local education agency will be reporting their attendance and receiving the revenue limit apportionment generated by that attendance. Being a key component of the APPE, the revenue limit apportionment generated by these students should be treated as a credit against the APPE funding following these students. The AU shall reduce the amount of APPE threshold funding following the student by the revenue limit apportionment that the student will generate to determine how much of the APPE threshold should actually transfer from the local education agency of residence to the local education agencies primarily serving its students with disabilities.

For students with disabilities primarily provided general and special education services by a local education agency other than the one in which he/she resides whose IEP’s specify that they receive services in the general education settings of a third local education agency, the AU shall calculate the amount of support from the APPE threshold that the local education agency primarily serving the student should transfer to the local education agency in whose general education settings the student is receiving services. This accomplished by multiplying the student’s local education agency of residence’s APPE by the percent of time that the student’s IEP specifies he/she should be in the general education setting.

Remaining APPE threshold amounts shall then be expended for the provision special education services either by the local education agency of residence or the local education agency primarily serving the student, as appropriate. Once the APPE threshold funds are fully expended, AB 602 state aid and IDEA local assistance funds can then be used to pay for special education services.

If the total expenditures for the provision of special education services exceed the funding provided by APPE threshold funds, AB602 state aid funds, IDEA local assistance funds, and any other funds provided for the provision of special education services, that excess shall be funded by the local unrestricted general funds of the local education agency in which the student with a disability resides. If the student is

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primarily served by a local education agency other than the one in which he/she resides, the agency providing the service shall bill the local education agency of residence for the amount of that excess based on a formula approved by the SELPA governance.

Monitoring the “Supplement not Supplant”/Maintenance of Effort Requirement (MOE)

The SELPA AU shall monitor the SELPA’s maintenance of effort and the maintenance of effort on the part of the local education agencies on forms and in a format provided by the California Department of Education.