

NEW FUNDING
MODEL FOR
SPECIAL EDUCATION

Final Report

*Legislative Analyst's Office
Department of Education
Department of Finance*

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Executive Summary

In February 1994 the Legislative Analyst's Office (LAO) in its *Analysis of the 1994-95 Budget Bill* cited a number of major problems with the state's current special education funding formula. Among the major shortfalls cited were (1) unjustified funding variations among local education agencies (LEAs), (2) unnecessary complexity, (3) constraints on local innovation and response to changing requirements, and (4) inappropriate fiscal incentives. Based on this analysis, the Legislature adopted language in the *Supplemental Report of the 1994 Budget Act* directing the California Department of Education (CDE), the Department of Finance (DOF), and the LAO to jointly review the Master Plan for Special Education (MPSE) and propose a new funding model.

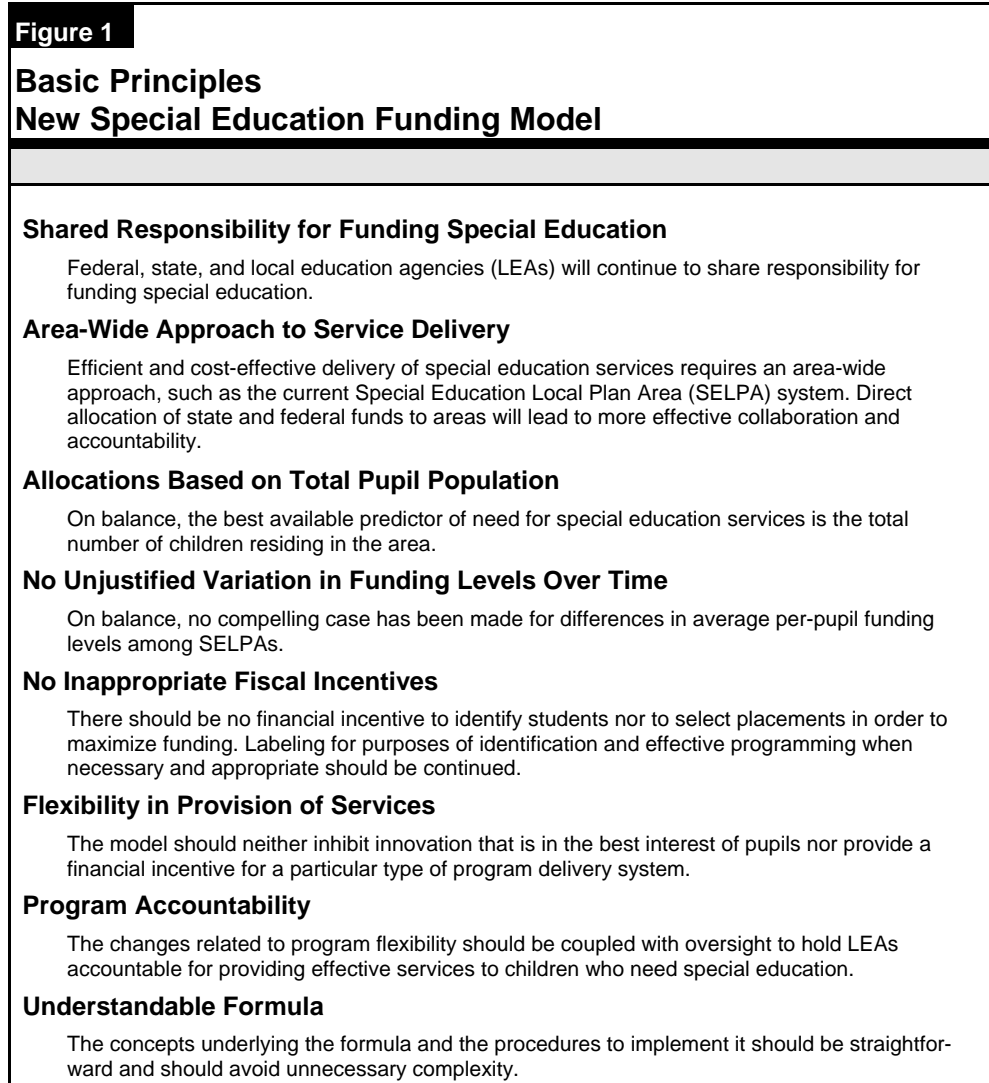
In fall 1994, staff of the three agencies met throughout the state with individuals and groups to discuss alternatives to the current funding model and to see firsthand a wide variety of programs for students with disabilities. To obtain the federal perspective, we met with the Assistant Secretary for the Office of Special Education and Rehabilitative Services in the U. S. Department of Education. To gain knowledge of the strengths and weaknesses of formulas in operation throughout the United States we met with the directors of the federally sponsored Center for Special Education Finance in Palo Alto.

In January 1995, we issued a preliminary report based on these meetings, previous work by various agencies on both special and general education, and our review of the literature in special education finance. In March 1995, we issued a proposal for phasing in the new funding model. We used these documents to stimulate discussion as we continued consultation throughout the state in winter and spring 1995.

This final report represents a general consensus of the three agencies; the individual agencies are in general agreement with the approach

but may disagree with some of the specific details of the proposed model.

New Funding Model. The basic principles that we used in developing our proposal are shown in Figure 1.



Our proposal for a new funding model is a population-based formula that allocates funding to Special Education Local Plan Areas (SELPAs) based on a uniform amount for each pupil residing in the SELPA. This

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approach has the following advantages over the state's current funding model: (1) it eliminates inappropriate fiscal incentives, (2) it allows flexibility in provision of services, (3) it eliminates funding variations among SELPAs, and (4) it is straightforward and understandable.

We are aware that a population-based formula may introduce fiscal incentives to underserve children with disabilities and, therefore, our proposal provides three safeguards to ensure that pupils with disabilities are assured access to a free and appropriate public education: (1) continuation of the due process safeguards available under current law, (2) retention of the existing requirement that special education funding be used for special education, and (3) modification of CDE oversight of special education programs. Figure 2 (see page 4) highlights these and other provisions of our proposal. Figure 3 (see page 5) compares the proposed new model with the current funding model.

Figure 2

**Highlights of Proposal for
New Special Education Funding Model**

Area-Wide Approach to Service Delivery

We propose continuation of an area-wide delivery of special education services through the current Special Education Local Plan Area (SELPA) structure. We propose that state and federal funds be allocated to SELPAs for distribution to local education agencies (LEAs). In addition, we propose specific changes to enhance accountability within SELPAs.

Population-Based Allocation

We propose that special education funding be allocated to SELPAs on a per-capita basis based on average daily attendance. The per-capita amount would be uniform from SELPA to SELPA. Therefore, the funding level would not depend on the number of identified special education pupils. SELPAs with high private school enrollments would be able to adjust their ADA for a portion of these pupils.

Same Adjustments for Revenue Limit and Special Education

We propose that the special education per-pupil amount be adjusted on an ongoing basis in a manner consistent with revenue limit funding. Likewise, special education funding would be adjusted for declining enrollment consistent with the methodology used for revenue limits.

Phase-In to New Distribution of Funds

To minimize disruption of services to students, we propose a phase-in of the new formula over a five-year period. During the phase-in period, our proposal (1) would provide most SELPAs an increase in special education funding and (2) would not reallocate existing funds—so no SELPA would experience a reduction as a result of the phase-in. We propose all funding provided for cost-of-living adjustments be used to increase funding for the lowest-funded SELPAs.

Local Flexibility

Our proposal allows LEAs to tailor services based on local pupil needs and strengths of local staff.

Accountability

To ensure that students in need of special education services have access to a free and appropriate education and are benefiting from the services provided, we propose to modify CDE oversight of special education programs. The 1995 Budget Act directs the CDE to develop a specific accountability proposal by January 1, 1996. Due process safeguards and the current requirement that special education funding be used only for identified special education students would continue.

Nonpublic Schools/Agencies

We propose that state support for nonpublic school placements and nonpublic agency services be rolled into the base allocation along with other state support. In addition, we propose protection from extraordinary costs associated with nonpublic school placements.

Licensed Children's Institutions (LCIs)

Due to the uneven impact that LCI placements have on LEAs, we believe that services for disabled children residing in LCIs should not be funded based on total pupil population. We propose to adjust SELPA funding to account for the varying impact of LCIs.

Low-Incidence Fund (LIF)

We propose continuing the LIF, which provides funds for specialized equipment needed by severely disabled pupils with low incidence disabilities.

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Figure 3

New Special Education Funding Model Compared With Current Model

Function	Current Model	Proposed Model
Area-wide cooperation	Requires area-wide planning. Requires Special Education Local Plan Areas (SELPAs) to distribute units.	Requires area-wide planning, shared responsibility, and accountability among member local education agencies (LEAs). Requires SELPAs to distribute funds.
Basis of funding	Funding based on identified pupils.	Funding based on total pupil population.
Distribution of funds	<ul style="list-style-type: none"> • Distributes "units" (classrooms) to SELPAs based on pupil counts. • Requires that SELPAs distribute units among LEAs. • Distributes funds to LEAs based on 40-page form reporting units operated, etc. 	Distributes funds directly to SELPAs for distribution among constituent LEAs, consistent with a local plan that assures appropriate services to all eligible pupils.
Funding equalization	Widely varying funding levels. No equalization process; in fact, method for distributing COLA funds exacerbates inequities.	Over time, brings virtually all SELPAs to an equal per-capita funding amount. Exceptions are a very few extremely sparsely populated SELPAs.
Program flexibility	Dictates how services must be delivered.	Allows LEAs to configure programs based on local pupil needs and individual strengths of local staff.
Accountability	Emphasis on assessing whether the proper number and type of educational settings are being operated.	Emphasis on assessing whether pupils are receiving and benefiting from special education services.
Nonpublic school and agency placements (except for children residing in licensed children's institutions)	Open-ended funding of all placements, shared 70% state/ 30% LEA.	All current state funds (the 70%) included in the "base" to be distributed and equalized as indicated above.
Licensed children's institutions (placements by noneducation agencies)	Open-ended 100% funding of placements that are (1) made by courts or (2) outside the pupil's home district.	Funding adjusted to account for the varying impact of LCIs.

Executive Summary

Introduction

The *Supplemental Report of the 1994 Budget Act* directed the Superintendent of Public Instruction, the Director of Finance, and the Legislative Analyst to develop a new funding mechanism for special education programs and services offered in California. The Legislature directed that these three agencies consult with teachers, parents, and administrators of both general and special education programs, members of the Advisory Commission on Special Education, and other interested parties in developing this new funding mechanism. The legislative language also directed that the funding mechanism include, but not be limited to, the following:

- A method to ensure equity in funding among school districts and county offices of education that provide services to pupils with exceptional needs.
- An elimination of financial incentives to place pupils in special education programs.
- A system that recognizes the interaction among funding for special education programs and services, revenue limits for school districts, and funding for categorical programs.
- A proposal to phase in the newly developed funding formula on a gradual basis over two to five years, so as not to disrupt educational services to students enrolled in general or special education programs.

In fall 1994 the three agencies met throughout the state with individuals and groups to discuss alternatives to the current funding model and to see firsthand a wide variety of programs offered for students with disabilities. We issued a preliminary report in January 1995 based

Introduction

on these meetings. In March 1995, we issued a preliminary proposal for phasing in the funding model. We used these documents to stimulate discussion as we continued our consultation throughout the state in winter and spring 1995.

This is our final report. This final report represents a general consensus of the three agencies; the individual agencies are in general agreement with the approach but may disagree with some of the specific details of the proposed model.

The report has four chapters. In the first chapter we discuss the current special education program. In addition, we provide information on special education enrollments; federal, state and local funding; and the current funding model and problems associated with it. Chapter 2 addresses the directive from the Legislature to develop a new funding model and how the three agencies organized to meet that mandate. Chapter 3 outlines the guiding principles that the three agencies used to develop the new model. The final chapter presents the new model.

Chapter 1

The Current Special Education Program

This chapter describes the current special education program and identifies problems with the funding model. Readers familiar with the current model may wish to turn to Chapter 2.

THE MASTER PLAN FOR SPECIAL EDUCATION

Prior to the development of the Master Plan for Special Education (MPSE) in 1974, state funding for special education was primarily based on an amount per disabled child that varied depending on the disabling condition (for example, the 1974 categories included “trainable mentally retarded,” “emotionally disturbed,” “deaf,” and so on). At the discretion of local districts and county boards of education, taxes could be levied to supplement the state allowances. Development of the MPSE began in 1971 when the CDE conducted a series of conferences throughout the state with parents, teachers, and administrators to discuss every aspect of special education. Opinions gathered at these conferences were then developed into the MPSE in 1974 by the State Board of Education. In that same year, the Legislature enacted Ch 1532/74 (AB 4040, Lanterman), which provided for testing of the MPSE in a limited number of districts and counties. The Legislature provided for statewide implementation of the MPSE in 1980 with the enactment of Ch 797/80 (SB 1870, Rodda).

In the same period, the Congress enacted PL 94-142 at the federal level. This federal legislation has been amended several times, most recently

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in 1994 by PL 103-328, the Individuals with Disabilities Education Act (IDEA). The next reauthorization is scheduled for 1995.

Federal law defines disabilities that qualify a child for special education and mandates school responsibilities and parental rights. Federal law sets out three basic principles that apply to children with disabilities: (1) all children with disabilities must be provided a free, appropriate public education, (2) each child's education must be determined on an individualized basis and designed to meet his or her unique needs in the least restrictive environment, and (3) the rights of children and their families must be ensured and protected through procedural safeguards.

Consistent with these federal requirements, the MPSE requires assessment of each child's unique educational and service needs and consideration of a range of service delivery options for each eligible child. Under the MPSE, a child is assessed to determine if special education is necessary or if the child can be served within the general classroom, with modification of the general instructional program and related services. If specialized instruction or services are needed and the child meets eligibility guidelines, an individualized educational program (IEP) is written for the child that specifies the services to be provided. The aim is to place the child in the least restrictive educational setting (environment) that will best meet the child's educational needs. The MPSE requires participation of parents as part of this process and establishes specific due process procedures to protect the rights of the child and parents.

The MPSE established an area-wide approach to the delivery of special education services. The current areas are called Special Education Local Plan Areas (SELPA). The intent of the SELPA structure is to deliver special education services in an efficient and cost-effective manner. Differing population densities call for SELPAs that consist of a number of counties, single counties, a number of school districts within a county or single school districts. In 1994-95, there were 116 SELPAs. Of these, three were multi-county SELPAs; 33 were county-

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wide SELPAs; 48 were multi-district SELPAs; and 32 were single district SELPAs.

The SELPAs are required to provide for a continuum of program options to meet the needs of pupils with disabilities. Generally, these options are provided in one of three basic education settings: (1) designated instruction and services (DIS) such as speech and language services, adapted physical education, or other specialized services; (2) resource specialist programs (RSPs), in which the child is educated primarily in a general education classroom and is served by a resource specialist teacher in the areas of need; and (3) special day classes or centers (SDCs) that provide special education services for a majority of the school day. Generally, these settings are for students whose disabilities are less severe (DIS), of moderate severity (RSP), or more severe (SDC).

Within the MPSE, placement is also available in a nonpublic school if the child cannot be served appropriately in a public school setting. In addition to these settings, the state provides support for two schools for the deaf, one school for the blind, and three diagnostic centers.

SPECIAL EDUCATION ENROLLMENT AND FUNDING

The upper part of Figure 4 (see page 12) shows the number of children enrolled in special education by disability category for the period 1987-88 through 1993-94. Of all K-12 pupils, 9.4 percent were enrolled in special education in 1993-94 compared to 8.8 percent in 1987-88.

The lower part of Figure 4 shows the number of children enrolled in special education by placement, for the same period.

Figure 4

Special Education Enrollment By Disability and Placement 1987-88 Through 1993-94 (April Count)

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	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	Average Annual Change
Disability								
Mentally retarded	28,302	28,158	28,694	29,953	31,002	31,930	30,937	1.5%
Hard of hearing	4,086	4,238	4,415	4,524	4,609	4,836	5,165	4.0
Deaf	3,277	3,319	3,462	3,353	3,483	3,636	3,618	1.7
Speech and language impaired	110,964	116,429	122,439	129,321	136,711	140,751	144,966	4.6
Visually impaired	3,018	3,208	3,512	3,685	3,787	4,091	4,153	5.5
Seriously emotionally disturbed	11,545	11,880	12,660	13,496	14,466	15,022	16,330	5.9
Orthopedically impaired	8,661	9,275	9,519	10,113	10,967	11,594	12,855	6.8
Other health impaired	14,044	14,370	14,884	14,310	15,143	13,970	13,811	-0.3
Specific learning disability	240,958	254,328	265,027	280,548	293,902	304,550	310,460	4.3
Deaf-blind	234	155	152	155	153	179	170	-5.2
Multihandicapped	7,469	7,640	7,822	7,613	7,392	6,889	7,051	-1.0
Autism	—	—	—	—	—	2,157	2,713	NA
Traumatic brain injury	—	—	—	—	—	326	467	NA
Not categorized (ages 0-2)	—	—	—	—	—	541	480	NA
Subtotals	432,558	453,000	472,586	497,071	521,615	540,472	553,176	4.2%
State special schools	912	964	1,021	1,095	1,150	1,172	1,211	4.8
Totals	433,470	453,964	473,607	498,166	522,765	541,644	554,387	4.2%
Placement								
Designated instructional setting	125,099	127,847	130,913	135,825	139,305	142,094	141,087	2.0%
Resource specialist program	169,744	181,572	191,455	203,348	216,837	227,804	236,928	5.7
Special day class	132,521	137,547	143,453	150,229	157,204	161,702	165,443	3.8
Nonpublic school	5,194	6,034	6,765	7,669	8,269	8,872	9,718	11.0
State special schools	912	964	1,021	1,095	1,150	1,172	1,211	4.8
Totals	433,470	453,964	473,607	498,166	522,765	541,644	554,387	4.2%

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Figure 5 shows the distribution of federal, state and local expenditures for special education. Figure 5 does not include expenditures for the state special schools, which totaled \$49 million in 1993-94. The state special schools are not included because they are funded outside the current funding model and are, therefore, outside the scope of this report. Figure 5 was compiled from reports by local school districts (J-380/580 reports). In addition to costs that are directly attributable to operations of special education programs, these reports also include educational costs that are allocated to special education for accounting purposes, such as costs for instructional administration, instructional media, school administration, pupil services, central data processing, plant operations and maintenance, and lease/rent of facilities. The amounts exclude funding and expenditures for special education transportation.

Figure 5

Special Education Expenditures Reported by Schools^a 1987-88 Through 1992-93

(Dollars in Millions)

	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93	Average Annual Change	Current Share
State	\$1,532.0	\$1,697.8	\$1,850.8	\$2,022.9	\$2,113.5	\$2,185.4	7.4%	69.8%
Federal	109.2	119.4	124.3	130.3	158.4	163.1	8.3	5.2
Local	477.6	540.6	654.0	725.2	757.8	784.0	10.4	25.0
Totals	\$2,118.8	\$2,357.7	\$2,629.0	\$2,878.3	\$3,029.7	\$3,132.6	8.1%	100.0%

^a Data based on J-380/580 reports by districts and counties. Excludes special education transportation and state special schools.

Figure 5 shows that in 1992-93 the state provided 70 percent of total funding for special education services. State support includes allocated local property taxes. Local support constituted about 25 percent of total outlays in 1992-93. Local support is general-purpose funding that is used by districts for special education.

Federal funding provides about 5 percent of total funding. Congress passed PL 94-142 in 1975, with the intent of paying 40 percent of the national average excess of cost of special education by 1981. Federal aid, however, has never exceeded 12.5 percent. (Excess cost is defined as the average amount needed to provide an appropriate education to

a student with disabilities that exceeds the expenditure for a general education student.) By 1992-93, Congress provided only about 8 percent of the estimated national average excess cost of special education services. For California, this shortfall was about \$745 million in 1992-93 (based on the 40 percent intent). According to estimates developed by the federally sponsored Center for Special Education Finance, if congressional intent were adjusted to reflect current data, California's 1992-93 shortfall would increase to slightly over \$1 billion.

THE CURRENT FUNDING MODEL

The current funding formula for special education involves calculations of "entitlements" that are based primarily on the number of children in special education and what each agency spent in 1979-80, the base year for MPSE funding. The different types of entitlements are:

- *Instructional Personnel Service Unit (IPSU)* entitlements are for salaries and benefits for special education teachers and, in some cases, classroom aides. This entitlement is equal to the number of authorized "units," or classes, multiplied by a "unit rate." Authorized units are calculated based on prior-year authorized units adjusted for growth (or declines), and are subject to a cap. The cap is constructed so that no SELPA can receive special education funding for slots that exceed 10 percent of its total K-12 enrollment. The "unit rates" vary by type of setting—DIS, RSP, and SDC—and are based on an agency's 1979-80 average costs of salaries and benefits adjusted for statutory cost-of-living adjustments (COLAs).

- *Support services* entitlements provide funding for the direct and indirect support costs of special education. These costs include, among others, identification and placement, equipment and supplies, and administration and overhead. The support entitlement is calculated based on a ratio equal to a percentage of each agency's unit rate. The ratio is also based on 1979-80 costs adjusted by legislation enacted in 1981 to

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“squeeze” down ratios that exceeded the statewide average.

- *Extended-year* entitlements provide funding for programs operated during the summer or during intersession for year-round schools.
- *Nonpublic school/agency* entitlements provide funding for nonpublic schools and agencies. Each LEA is entitled to 70 percent of the excess cost (cost above the revenue limit amount) for most nonpublic school/agency placements. Each LEA is entitled to 100 percent of the excess cost for nonpublic school/agency placements involving students residing in licensed children's institutions (LCIs) if the student is a ward of the court or resides outside the student's home district. The residential placements of these students is determined by agencies other than LEAs.
- *Administrative unit* entitlements include three separate entitlements: (1) regionalized services such as administration, data collection, and evaluation; (2) program specialists who supervise the program and consult with instructional personnel; and (3) the Low Incidence Fund providing an allowance for specialized books, materials, and equipment for pupils with low-incidence disabilities.
- *County longer-day and longer-year* entitlements provide incentive funding for longer-day and longer-year programs for pupils in county-operated SDCs. (This is consistent with funding provided to school districts as part of the revenue limit.)

The state special schools are provided direct appropriations through the annual Budget Act. The other programs are funded from state aid, federal aid, and local revenues available for some programs. Specifically, the state aid amount is calculated based on the entitlements for these programs less the following amounts:

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- Revenue limit funding associated with average daily attendance of certain special education students.
- Federal local assistance.
- Local general fund contribution (LGFC) calculated pursuant to state law.
- County special education property taxes.

PROBLEMS WITH THE CURRENT FUNDING MODEL

The MPSE funding model is inadequate in several respects. Among other problems, the funding model (1) contains unjustified variations in funding across LEAs, (2) is too complex, (3) inhibits local innovation and response to changing requirements, and (4) contains inappropriate fiscal incentives. We discuss these in detail below.

Funding Variations Are Not Justified. Three key components point out the inequities of the current funding model. These are (1) unit rates for instructional personnel service units, (2) support service ratios, and (3) the LGFC. All three of these factors are based on reported actual expenditures of local education agencies in 1979-80. This, in itself, might not be a problem except that the 1979-80 reports contained numerous inconsistencies, primarily because (1) it was the first year for which expenditure reports were required of all education agencies and (2) at the time the reports were prepared, the state's expressed interest in them was informational only. The unit rates have been adjusted over time, primarily due to changes in the cost of living. In special education, cost-of-living adjustments are applied to each LEA's entitlement using a percentage increase factor. This has the effect of increasing funding discrepancies over time. In contrast, for general education, cost-of-living adjustments are applied using a constant dollar amount, with the effect of narrowing funding variations over time.

Unit rates are intended to provide funding for the salary and benefits of the average teacher and, in some cases, one or more aides as well.

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While some variation in these rates is to be expected, the actual variation is enormous. The CDE reports that in 1993-94, unit rates for DIS varied from \$17,300 to \$60,300, with an average of \$39,500. Unit rates for RSPs and SDCs (without aides) varied from \$22,100 to \$56,500, with an average of \$39,400. The reasons for the wide variation include faulty reporting in 1979-80, employment by districts of lower-paid "permit" teachers in 1979-80 rather than fully credentialed teachers, and the varying mix of new versus experienced teachers in the base year.

Support ratios also exhibit great variation. The support entitlement provides funding for psychologists and nurses, equipment and supplies, administration and overhead, and so on. The support services entitlement is calculated as a percentage—or ratio—of each agency's unit entitlement. This ratio was originally based on each agency's reported expenditures for support services in the 1979-80 base year, but ratios above the statewide average of 52 percent were "squeezed" down later. Support ratios now range from zero to 78 percent with ratios above the statewide average applying only to programs serving severely disabled pupils. The amounts are the result of numerous historical factors.

The third factor is the local general fund contribution (LGFC). As indicated above, the LGFC is one of the revenue sources that is deducted from the district's entitlement to arrive at the state aid amount. The LGFC is calculated from a district's 1979-80 general fund support for special education. Current LGFCs range from zero to over \$300 per ADA. The amounts are the results of numerous historical factors.

Too Complex. In 1983 the LAO noted that since the adoption of the MPSE in 1980 the entitlement system had grown increasingly complex. At that time the CDE entitlement form for special education, referred to as the J-50, was 28 pages long. The LAO also reported that staff from the CDE were conducting workshops throughout the state to teach local special education directors and business managers how to fill out the form correctly.

In the 12 years that have passed since 1983, the J-50 form has grown from 28 pages to 39 pages. A private consultant industry centered on

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the J-50 has emerged. Consultants offer “beginner” and “advanced” workshops on how to complete the J-50 to maximum advantage. The funding model should be readily understandable to educators and parents, without the need for such workshops.

Inhibits Local Innovation and Response to Changing Requirements.

The special education funding formula inhibits local innovation and response to changing requirements because it is based on providing services under one of three program models, each with a certain array of associated staff and, in some cases, a prescribed number of pupils per staff member. While these models may reflect “best practices” at a certain time in history, they severely restrict how services may be delivered. For example, the funding model does not easily accommodate unique programs deploying staff in different ways, or the practice of including severely disabled pupils in general classrooms. These situations are handled through waivers of existing funding rules. In the case of inclusion, these restrictions on service delivery impede compliance with evolving federal requirements.

Contains Inappropriate Fiscal Incentives. The special education funding model contains incentives for schools to act in ways that are not in the best interests of students. First, because it allocates funds based on the number of students identified as needing special services, the current model creates an incentive for schools to identify students for special education whose educational needs could be met without being so identified. Thus, it encourages “identification” for funding purposes. In the same way, the funding system encourages educators to retain pupils in special education even after they could move back to general education.

Second, there are incentives to spend more than necessary. For example, schools generate support dollars when they hire aides, prompting them to hire more aides than may be needed in some cases.

The method for funding nonpublic agencies provides a third example of an inappropriate fiscal incentive. This program supports the costs of services (primarily physical and occupational therapy) purchased from nonpublic agencies. The program funding mechanism provides a financial incentive for districts to serve students through nonpublic agencies rather than serving them directly, even if the cost of direct

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services is significantly less. Specifically, an LEA is responsible for 30 percent of the cost for nonpublic agency services. In contrast, LEAs pay 100 percent of the costs for direct services at the margin if (1) the services are provided to pupils placed in SDCs or resource specialist programs or (2) the services are provided to pupils placed in designated instruction and services (receiving related services only), but the number of pupils served exceeds the number funded under the current funding model. Even if the pupil can be accommodated within the funding model, LEA costs could exceed the 30 percent share because the state funding provided for certain types of staff is often substantially less than the actual cost for salaries and benefits for these professionals.

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Chapter 2

Response to Legislative Direction

SUPPLEMENTAL REPORT DIRECTIVE

In February 1994 the LAO recommended in its *Analysis of the 1994-95 Budget Bill* that the Legislature direct the CDE, the DOF, and the LAO to jointly review the MPSE and to propose a new funding model for the MPSE. The LAO also recommended that the three agencies seek consultation from appropriate parties. The *Analysis* recommendation was based on a review of the problems with the current funding model, as discussed in Chapter 1.

Based on this recommendation, and with the agreement of the Departments of Finance and Education, the Legislature adopted language in the *Supplemental Report of the 1994 Budget Act* directing the three agencies to develop a new formula. The legislative language also directed that the funding mechanism include, but not be limited to, the following:

- A method to ensure equity in funding among school districts and county offices of education that provide services to pupils with exceptional needs.
- An elimination of financial incentives to place pupils in special education programs.

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- A system that recognizes the interaction among funding for special education programs and services, revenue limits for school districts, and funding for categorical programs.
- A proposal to phase in the newly developed funding formula on a gradual basis over two to five years, so as not to disrupt educational services to students enrolled in general or special education programs.

The Legislature further directed that the three agencies consult with teachers, parents, and administrators of both general and special education pupils, members of the Advisory Commission on Special Education, and other interested parties. Appendix A provides the complete text of the supplemental language.

THE THREE AGENCIES' STRATEGY

In July 1994 staff of the three agencies began meeting on a regular basis. By the end of July we had developed a timetable to meet the legislative mandate. This timetable involved the following steps:

- Review of written material—July and August 1994.
- Consultation throughout California—September to December 1994.
- Develop initial paper—January 1995.
- Consultation on initial paper—February to mid-April 1995.
- Develop final paper.

**Response to
Legislative Direction**

In July and August 1994 we reviewed various reports written on special education since the passage of the MPSE. During this period we also made plans for travel throughout California to review specific programs and seek suggestions from a broad array of interested parties on ways to reform the funding mechanism. In order to ensure that the input we received was consistently heard by each agency, we decided that as a general rule we would seek information in written form and that staff of all three agencies would attend all field visits and meetings.

From September through December we made field visits and met with individuals, organizations, and local education agencies (LEAs). (A list of our fall meetings is in Appendix B.) We attempted to identify all groups who might have suggestions on a new funding formula and met with as many as we could. For our field visits we selected a broad cross section of programs from throughout the state. In addition we visited some districts with unique programs. In several areas (San Diego, Concord, Auburn, and Red Bluff) we arranged to meet with representatives from several districts and counties. We met with general and special education teachers and administrators, school board members, and parents of general and special education pupils. We visited many classrooms and we talked with the teachers and aides. We also talked with many students. Finally, we sought input from individuals that we could not contact directly via the special education and general education computer networks.

To obtain the federal perspective, we met with the Assistant Secretary for the Office of Special Education and Rehabilitative Services in the U.S. Department of Education. We also met with the directors of the federally sponsored Center for Special Education Finance in Palo Alto to discuss the strengths and weaknesses of special education formulas in operation throughout the United States.

We released a preliminary report in January 1995 and a phase-in proposal in March 1995. The purpose of issuing the preliminary report and phase-in proposal was to stimulate discussion as we continued our consultation. We devoted the period February through May to additional meetings with a broad cross section of individuals,

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organizations, and LEAs (many of whom we had spoken with in the fall). We held 11 regional meetings throughout the state and in addition met with 23 other groups. Each session generally lasted for three hours with the first half devoted to presentation of the model and the second half to questions and answers about the model. (A list of our winter and spring input sessions is in Appendix B.)

This is our final report. It is based on our preliminary report, with extensive modifications based on our winter and spring meetings.

We believe that our meetings yielded very useful information. We used that information to develop principles to guide the development of our preliminary proposal. We used input from our winter and spring meetings to refine the principles. These principles are discussed in the next chapter.

Chapter 3

Principles to Guide the Development of a New Funding Model

Any funding formula has basic principles that guide its development, although these principles are often unstated. We want to explicitly state our guiding principles. We developed these principles based on input from our field visits, previous work by various agencies on both special and general education, and a review of the literature in special education finance.

This chapter provides an overview of each of the principles we identified. (A list is also provided in Figure 1 in the Executive Summary.)

Shared Responsibility for Funding Special Education

We found in our field visits that in many LEAs there is conflict between general and special education concerning the responsibility for providing services for pupils with disabilities. Some LEA administrators believe that students with disabilities are the sole responsibility of the state and federal governments and resent using any local revenue limit funding for special needs pupils. This viewpoint ignores the fact that the state provides a revenue limit for every pupil and works counter to providing a seamless educational system for all pupils.

A principle of our proposal is that federal, state, and local education agencies will continue to share responsibility for funding special

education. State and federal funding is intended to support a portion of LEA costs for providing special education for children with identified needs. There will continue to be a local funding share in providing education to these children.

Area-Wide Approach to Service Delivery

As mentioned in Chapter 1, the MPSE established an area-wide approach to the delivery of special education services. The current areas are called Special Education Local Plan Areas (SELPA). The intent of the area-wide structure is to deliver special education services in an efficient and cost-effective manner. Differing population densities call for SELPAs that consist of a number of counties, single counties, a number of LEAs within a county or single school districts.

The SELPA system allows for tailoring the organizational structure to differing population densities. The structure allows local flexibility to plan and provide services in an efficient and cost-effective manner. However, the current model requires program planning in the form of the distribution of units, rather than the distribution of funds, at the SELPA level. Funding is then claimed by LEAs based on the number of units distributed and operated. For single-district SELPAs (32 in 1994-95), planning and funding are integrated; for the other SELPAs (84 in 1994-95), this is not necessarily the case. As a guiding principle, we believe that a direct allocation of state and federal funds to all SELPAs, for distribution to LEAs providing services, will lead to more effective collaboration among the multi-district SELPAs than the current model has engendered. A direct allocation to SELPAs will put new emphasis on joint decision-making and joint accountability for services.

Allocations Based on Total Pupil Population

Based on our site visits, our discussions with national researchers, and extensive discussion and further analysis following the release of our preliminary report in January, we concluded that on balance the best available indicator of need for special education services is the number of children residing in the region. There are two caveats to this conclusion. First, some smaller jurisdictions may have greater or lesser

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needs due to random variability, that are evened out over larger areas covering a larger population base.

In addition, some areas have a disproportionate number of pupils residing in licensed children's institutions—who are placed by agencies other than LEAs and many of whom are outside their home area. These areas would have a higher-than-average proportion of children needing special education.

Consequently, we concluded that funding based on population would be reasonable, assuming that the entity funded has a large population base (for example, a SELPA or region rather than a district) and assuming that adjustments are made for areas affected by placements in licensed children's institutions. (See the next chapter for additional discussion of this issue.)

No Unjustified Variation in Funding Levels Over Time

We sought information from LEA staff on the need to provide special funding to meet LEAs' unique characteristics. For example, representatives from rural areas mentioned problems related to economies of scale in service delivery. Because the pupil population is scattered in rural areas, many teachers spend a good portion of their day driving between school sites. Some urban area representatives expressed concern that they have to offer higher salaries than other areas just to attract and retain the same quality of teacher. While there is some analytical basis for these concerns, and others, we believe that none of these factors has a strong enough basis to justify special consideration at this time.

Accordingly, we propose to equalize funding over time. Any new funding formula should be phased in on a gradual basis so as not to disrupt educational services to students enrolled in general and special education programs.

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No Inappropriate Fiscal Incentives

Under the current system, funding is based in large part on the number of children with IEPs. This provides a financial incentive to “identify” children. Most teachers and administrators with whom we spoke would like to eliminate the financial incentive for identifying pupils, provided that there are safeguards to ensure delivery of required services to children who need special education. Eliminating the financial incentive does not imply eliminating the IEP process or appropriate identification for programmatic reasons.

A principle of our proposal is that the model should not provide a financial incentive for identifying pupils or categorizing pupils by disability category.

Allow Flexibility in Provision of Services

On our field visits, we found a wide variety of approaches to providing services to pupils with disabilities. Many administrators and teachers felt that the current formula inhibits local innovation. This is because to receive funding, LEAs must establish “units” that have specified staffing patterns. For example, staffing patterns required to include a severely disabled child in a general education class cannot be funded under the current model because they differ from established unit staffing patterns. Innovative approaches are generally developed through waivers of current state law. Parents, administrators and teachers expressed confidence and trust in their local delivery systems. Almost all expressed support for the concept that any new funding formula should allow for innovation in service delivery to meet unique local needs. Teachers and administrators expressed a willingness to accept increased program oversight in order to increase local program flexibility.

A principle of our proposal is that the model should not inhibit innovation nor provide a financial incentive for a particular type of program delivery system.

Program Accountability

Currently, the CDE reviews local programs to ensure the programs meet various federal and state requirements. The CDE also determines whether the proper number and type of instructional settings are operated, as required by the current funding model. Under the principle of program flexibility, the requirements related to instructional settings, and review of compliance with these requirements, would no longer be necessary.

A principle of our proposal is that SELPAs should be accountable for delivering services to children who need and are eligible for them, and delivering them in such a manner as to benefit the children receiving them.

During budget hearings on the 1995 Budget Bill, the three agencies recommended that the CDE develop an accountability system to complement our proposed funding model. Based on this recommendation, the Legislature and Governor adopted language in the 1995 Budget Act directing the CDE to present a preliminary report on an accountability model by January 1, 1996. The CDE has already held several public meetings to gather ideas, concerns, and suggestions on the design of a new accountability system. (See the next chapter for additional discussion of this issue.)

Understandable Formula

All of the LEA staff with whom we met believed the current funding formula to be too complex to be easily understood.

A principle of our proposal is that the funding formula should be understandable. The concepts underlying the formula and the procedures to implement it should be straightforward and should avoid unnecessary complexity.

We considered each of these criteria in outlining our proposed funding model.

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Chapter 4

Proposal for a New Funding Model

In this chapter we present our proposal for a new special education funding model. Figure 2 in the Executive Summary lists major components of the proposal. As noted earlier in this report, the supplemental language directed the three agencies to reach an overall consensus on a new funding model, but not necessarily consensus on each component of the model. This final report represents a general consensus of the three agencies; the individual agencies are in general agreement with the approach but may disagree with some of the specific details of the proposed model.

OVERVIEW OF THE PROPOSED NEW MODEL

We developed our proposal for a new funding model based upon input from our consultations, review of previous work on special education and general education finance by various agencies, and review of the literature on special education finance. We met with the co-directors of the federally sponsored Center for Special Education Finance and discussed the various formula options (resource-based formulas, student-based formulas and cost-based formulas) being used across the country to allocate funds for special education.

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We propose that the state first recognize a shared responsibility for funding special education. State and federal special education funding is intended to support a portion of LEA costs for providing supplementary services for children with special needs. There is and will continue to be a local funding share from revenue limits in providing education to these children.

We propose to continue the area-wide approach to special education service delivery embodied in the current SELPA system. We also propose changes in requirements related to SELPA structure to ensure that these organizations are effective and accountable.

We propose that special education funding be distributed to SELPAs based on a uniform amount per pupil, and that SELPAs be allowed to configure programs based on local pupil needs and individual strengths of local staff. When fully phased in, the per-pupil amount would be adjusted on an ongoing basis in a manner consistent with revenue limit funding. Special education funding would be adjusted for declining enrollment consistent with the methodology used in general education.

This proposed population-based funding model has the following advantages over the state's current funding model:

- *Eliminates Inappropriate Fiscal Incentives.* The current model provides a financial incentive for LEAs to identify students and select placements to maximize funding. In our proposal, the amount of funding would not depend on the number of identified pupils nor their educational placements.
- *Allows Flexibility in Provision of Services.* The current model restricts the utilization of local staff to prescribed program delivery modes or caseloads. Our proposal allows LEAs to configure programs based on local pupil needs and the individual strengths of local staff.
- *Eliminates Unjustified Funding Variations Among SELPAs.* The current formula results in considerable

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variation in per-pupil state support. Our proposal eliminates per-pupil variations (over time).

- *Is Straightforward and Understandable.* The current model is not easily understood by nonexperts. Our proposal is straightforward.

We propose that the new model be phased in over time and that during phase-in all funding provided for cost-of-living adjustments (COLAs) and all increases in federal funding be used for equalization. The phase-in would be accomplished by increasing the per-capita allocation for lower-funded SELPAs while allowing the per-capita allocation for the higher-funded SELPAs to remain essentially unchanged. All SELPAs would receive a uniform per-capita amount for any growth in the school population.

In moving to a population-based formula and providing additional flexibility in delivering services, we recognize that there is a potential to not serve or underserve children who need special education services. Accordingly, we believe that specific attention must be given to assuring that LEAs are delivering services and delivering them in such a manner as to benefit the children receiving them. Due process safeguards and the current requirement that special education funding be used only for identified special education students would continue. In addition, we propose a change in oversight to hold SELPAs accountable for assuring that services are provided to children who need special education. The 1995 Budget Act directs the CDE to develop a specific accountability proposal by January 1, 1996.

We also propose that state support for nonpublic school/agency placements and services be rolled into the base allocation to be distributed along with other state support.

Due to the uneven impact licensed children's institution (LCI) placements have on SELPAs, we believe that services for disabled children residing in LCIs should not be funded based on total pupil population. We propose to adjust SELPA funding using data on subgroups of these children to account for the varying impact of LCIs.

Below we discuss each of the major components of our proposal.

AREA-WIDE APPROACH TO SERVICE DELIVERY

As mentioned earlier, the MPSE established an area-wide approach to the delivery of special education services. The current areas are called Special Education Local Plan Areas (SELPA). The intent of the SELPA structure is to deliver special education services in an efficient and cost-effective manner. Differing population densities call for SELPAs that consist of a number of counties, single counties, a number of LEAs within a county or single school districts.

The SELPA system allows for tailoring the organizational structure to differing population densities and allows local flexibility to plan and provide services. However, the current model requires program planning in the form of distribution of units, rather than the distribution of funds, at the SELPA level. For single district SELPAs (32 in 1994-95), planning and funding are integrated; for the other SELPAs (84 in 1994-95), this is not necessarily the case. As stated in Chapter 3, we believe that a direct allocation of state and federal funds to SELPAs will produce more effective collaboration among the multi-district SELPAs than the current model. A direct allocation to SELPAs will put new emphasis on joint decision-making and joint accountability for services.

Chapter 1668, Statutes of 1984 (SB 585, Seymour), requested the CDE to conduct a study of the governance, size, and scope of SELPAs. Among the conclusions of that study was that "SELPAs have demonstrated that the regional concept does work and that it is necessary to adequately serve identified students." This study offered a number of recommendations that continue to be relevant. Two areas of particular note are conflict resolution and governance issues.

Conflict Resolution

The SB 585 study recommended that "every local plan should define the process for handling conflicts within the SELPA, and identify the governance entity which will have the final decision." The "new"

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responsibility our proposal places on multi-district SELPAs is the allocation of state and federal funds, rather than units, among the districts that comprise the SELPA. Based on our discussions in the field, many SELPAs are well positioned to assume this task. However, some SELPAs may struggle with the internal allocation. Ideally, the SELPA governance structure should be able to resolve any difference of opinion. We recommend that the Legislature provide a two-tiered dispute resolution process to assist SELPAs that are not able to reach agreement internally.

The first tier should be mediation, wherein parties to the dispute would select a mediator from outside the SELPA. If mediation is unsuccessful, the SELPA would be required to move to arbitration. Arbitration would be conducted by the CDE with the decision final and binding on all parties.

Governance

In our field visits, we identified many concerns regarding governance of SELPAs, particularly, but not exclusively, in multi-district SELPAs. The concerns centered around determining who ultimately is responsible for decisions within the SELPA.

Current law requires SELPAs to submit plans every four years (with addenda as necessary in the intervening years) that specify the governance structure of the SELPA and describe the service delivery system. The plans must be approved by each constituent district governing board. In practice, however, these plans are not useful for determining what specific decisions have been made regarding availability of services and who is accountable for these and other decisions. In response to these problems, the SB 585 study recommended that provisions in current law regarding SELPA governance and local plans be enforced.

We concur with that recommendation. We also propose to strengthen current requirements regarding the content of these plans by requiring

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submission of additional information on (1) the governance structure of the SELPA and (2) the service delivery system.

Governance Structure. We propose that local plans identify in detail how decisions within the SELPA are made, and how members of the public, including parents, can gain access to and/or influence the decision-making process. The plan should identify a governing body (in multi-district SELPAs) or a single individual (in single-district SELPAs) having ultimate responsibility for SELPA decisions. The plan should also identify the elected officials to whom members of the governing body or the individual report. This governing body or individual would also be accountable to the state in cases where sanctions must be imposed.

There are a number of well-functioning SELPAs that have a superintendent's council as a governing body. This model would meet the criteria for accountability that we identify.

Service Delivery System. We propose that local plans include enough detail for the lay reader to understand the location and nature of each service provided. In addition, local plans should be updated annually with a budget supplement that would identify the allocations to and expenditure plans for each constituent district, and the budget for SELPA administrative functions.

It is beyond the scope of this report to specify detailed requirements for the contents of local plans or the plan approval process. As mentioned earlier in this report, the 1995 Budget Act directs the CDE to develop a specific accountability proposal by January 1, 1996 to complement our funding proposal. These issues should be addressed by the CDE in its report.

POPULATION-BASED FORMULA

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We propose that special education funding be allocated to SELPAs on a per-capita basis and that SELPAs be allowed to configure programs based on local pupil needs and the individual strengths of local staff. The per-capita amount would be uniform from SELPA to SELPA. As discussed later, we recommend a phase-in to a uniform funding level to minimize disruption of services to both general and special education pupils.

We propose that declines in enrollment be adjusted in the same manner as in general education. With K-12 revenue limits, LEAs experiencing average daily attendance declines are held harmless in the year of the decline. This “hold harmless” provision allows districts time to make staffing adjustments related to the decline. We believe that the same provision should be made for special education for the same reason.

Our choice of a “population-based” approach to allocate state support for special education was made after consultation with national and local researchers and practitioners. Our analysis concluded that this approach is superior to other possibilities that are in practice in other states. According to national researchers, this population-based approach is growing in both justification and use. The U.S. Department of Education has proposed and the Congress is now considering a population-based approach for the distribution of federal aid for special education.

Measure of Population

Ideally, we believe that the allocation of state support should be based on the entire school population of the SELPA—both public and private. However, the only private school attendance data currently available for this purpose are from the California Basic Educational Data System (CBEDS). While the CBEDS data are reliable for statewide estimates, they are not for each SELPA. Therefore, we recommend that average daily attendance (ADA) be used to calculate funding allocations.

However, we propose to allow SELPAs with a high proportion of their school-age population attending private school to obtain additional funding. Specifically, these SELPAs could obtain additional funds based on the number of pupils attending private school in excess of 200 percent of the statewide average. To obtain these funds, they would have to submit an annual audit documenting the number of pupils residing in the SELPA who attend private schools. The number of children above 200 percent of the statewide average would be adjusted based on the statewide relationship between enrollment and ADA, and added to the SELPA count for special education funding purposes.

Population as a Basis for Allocating Funds

A population-based funding system assumes comparable incidence of need for special education services among SELPAs. If the incidence of need for services varies too much from SELPA to SELPA or if the incidence of “higher cost” disabilities varies too much, then a population-based system that assumes fairly comparable incidence would result in funding allocations that do not match the need for services. In our preliminary report, we made proposals to address the issue of random variability. Since publication of our preliminary report, we have spent considerable time addressing other concerns regarding whether population is the best measure of need for special education services. Based on suggestions from researchers and practitioners, we examined the relationship of the following locational and socioeconomic factors to the distribution of children with

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disabilities: (1) licensed children's institutions, (2) state hospitals and developmental centers, (3) high quality program offerings, and (4) high poverty areas as indicated, for example, by high welfare (AFDC) caseloads. In addition, we examined the distribution of disability subgroups, in particular, the distribution of low-incidence and/or high-cost disabilities.

The remainder of this section discusses the findings from our research and the specific proposals we are making to address concerns regarding a population-based funding model.

Random Variability. We identified the problem of random variability among LEAs in our preliminary report. To address this problem, we propose that state funds be allocated to SELPAs. An area-wide delivery system, such as the current SELPA system, will help to even out random variability in the student population.

We recognize that there may be some extremely sparsely populated SELPAs in which aggregating pupils on a county-wide basis may not completely eliminate problems of random variability. These SELPAs may also experience unique cost factors (for example, the cost of serving a child in a remote location). We note that some of the SELPAs which are potentially affected by these problems are currently funded at a per-pupil level that is significantly higher than the statewide average. Under our proposal, this group of SELPAs would continue to have per-pupil funding allocations significantly higher than the statewide average at the end of the five-year phase-in period. By including these SELPAs in the phase-in model, we do not intend to imply that they eventually should have per-pupil allocations equal to the statewide average, nor that the funding model provides a solution to these problems if and when they occur.

Licensed Children's Institutions (LCIs) and State Hospitals/Developmental Centers. Licensed children's institutions are not evenly distributed throughout the state. To address this problem, we propose funding adjustments to account for the varying impact of

children residing in LCIs. This separate allocation system also addresses population variability associated with the location of state hospitals and developmental centers. Our specific proposal is discussed later in this chapter.

High Quality Programs. In our discussions, we found that most SELPAs have high quality programs in certain areas that attract parents of children with special needs. Therefore, most are affected by some parents moving to a SELPA for a particular high quality program. It would be very difficult to single out one or a group of SELPAs for special consideration based on high quality program offerings. Accordingly, we do not propose any special adjustment related to location of high quality programs.

Poverty. With respect to the link with poverty, research indicates that poverty is associated with the need for compensatory education services, not special education. Thus, we do not recommend an adjustment in special education funding for high poverty areas.

Distribution of Disability Subgroups. We examined data (statewide totals and specific data from San Diego County SELPAs) regarding the distribution of students reported by federally defined disability categories. As indicated earlier, a population-based funding model assumes comparable incidence of need for special education services among SELPAs. If the incidence of need varies too much, population-based funding allocations would not reflect the need for services and consequently, would not be fair to all SELPAs. Comparable incidence of need does not mean that the incidence of each disability category must be precisely the same everywhere. Rather, it means that children with disabilities, especially children with “high-cost” disabilities, are distributed evenly enough so that no area of the state experiences significantly greater costs, calculated on a per-population basis, than other areas as a result of differences in incidence.

We found that no federally defined disability category, or subgroup of categories, encompasses all children with high-cost disabilities.

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Children with high-cost disabilities were present in varying proportions in all categories. Second, we observed that all disability categories, to varying degrees, allowed LEAs latitude in whether or not to identify pupils with special needs, and which category to use once the pupil is identified. In fact, what we observed is referred to by some national researchers as the difference between “true incidence” and “reported incidence.” Reported incidence is defined as the number of disabled students identified by each LEA. True incidence is defined as the number of students that would be identified if all LEAs used the same criteria to identify students with disabilities.

Reported incidence can be significantly more or less than true incidence, and can be influenced by both the interpretations of disability definitions by the LEA and by the amount of funds available or allocated by the LEA. The researchers indicate that the definitions of nearly all disabilities allow LEAs a degree of latitude in deciding which students will be identified. Given this situation, any examination of actual distribution data is of questionable value, because we cannot know how close the “reported incidence” is to the “true incidence.”

National researchers also caution that because most disability definitions have a high degree of latitude, a state allocation plan that singles out any particular category for funding may create a financial incentive to identify more students in that category. We tried to minimize the fiscal incentive to place pupils in particular categories by limiting our inquiry to those categories in which LEAs had little discretion in identification (for example, deaf and visually impaired). However, these categories represent only a very small proportion of students with high-cost disabilities. In addition, the number of students in disability categories where LEAs have little discretion in identification is very small in comparison to the overall population and may not have a relationship to the number of high-cost pupils. In the absence of agreement involving all “high-cost” disabilities, it does not appear appropriate to “adjust” a funding formula based only on a very limited number of students.

Therefore with the above noted exceptions, we find that on balance, the best available indicator of need for special education services is the number of students residing in the region. Given the variability in most definitions of disabilities and the seemingly limited number of students in categories where definitions are more precise, we recommend that the Legislature not elect to single out any particular category or categories for special funding at this time. This area should be reexamined if researchers and practitioners determine more precise definitions. We caution, however, that the definitions must be precise enough to yield “true incidence.” If any latitude is left, students may be identified to generate additional funds rather than to meet educational needs.

PHASE-IN OF FUNDING CHANGES

Providing equal funding per pupil to all SELPAs will require increasing funding for some SELPAs and limiting funding for others below what they otherwise would have received. These funding changes would be disruptive if implemented all at once. Accordingly, the supplemental report directed that any new funding formula be phased in on a gradual basis over two to five years.

To further minimize disruption during the phase-in period, our proposal (1) would provide nearly all SELPAs an increase in special education funding and (2) would not reallocate existing funds. We propose that all funding provided for cost-of-living adjustments (COLAs) and all additional federal funding above the current level be used to increase funding for the lowest-funded SELPAs. Providing augmentations in excess of this amount would speed up the phase-in.

Because we do not propose reallocations of existing funds during the phase-in period, achieving uniform per-capita allocations of funds is dependent on the availability of COLA funding and additional federal funds. If, at the end of the phase-in period, the per-capita amounts allocated to SELPAs are not reasonably comparable, the Administra-

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tion and the Legislature may choose to consider further measures to achieve uniformity, such as extending the phase-in period. The Administration and the Legislature could also choose to accept some continuing funding variation.

The remainder of this section discusses the specific phase-in model we propose. Additional detail is provided in Appendix C.

Phase-In Model

The model begins with a statewide average amount per capita (average daily attendance [ADA]) for a base year. This amount excludes LCI funds, which are allocated separately. Each year this amount is increased by any COLA provided and becomes a per-capita “target” for equalization purposes. Phase-in is defined as being completed when no SELPA receives a per-capita allocation below the statewide target.

In the model, each SELPA starts with a base-year funding amount calculated by subtracting its initial LCI allocation from its total funding. Each SELPA receives growth funding equal to the statewide target multiplied by the SELPA's increase in ADA. SELPAs with declining ADA are held harmless for one fiscal year. (This is the identical adjustment made for revenue limit funding.)

SELPAs whose per-capita amount is less than the statewide target receive equalization funding. This would consist of all funds provided for a COLA plus any increase in federal funds. This funding is distributed so that each SELPA below the target “makes up” the same proportional distance to the target. In other words, the amount required to lift each of these SELPAs to the statewide target is calculated, and summed statewide. If the amount of equalization funding is, for example, 20 percent of the total necessary to achieve phase-in, each SELPA receives 20 percent of the amount needed to reach the statewide target.

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What About Federal Funds? Federal funds are included in the statewide per-capita amount, along with General Fund support and special education's share of property taxes. Each year's COLA and growth amounts are calculated based on total program funding, including federal funds and local property taxes, not just the General Fund amount. Because the amount of federal funds and property taxes varies by SELPA, the General Fund is the “balancer” used to achieve uniformity in per-capita allocations.

Under this proposal, during the phase-in period, any increase in federal funds does not offset the General Fund appropriated for growth or COLA, but rather is “passed through” to SELPAs and used for equalization. After the phase-in period, increases in federal funds would contribute to growth and COLA adjustments for the overall program as they do now.

ACCOUNTABILITY

In moving to a population-based formula and providing additional flexibility in delivering services, we recognize that there is a potential to not serve or underserve children who need special education services. There are many benefits, cited above, to a population-based formula. However, these benefits must be accompanied by safeguards to insure that pupils with disabilities have access to specialized instruction and related services that are individually designed to provide educational benefit. That is, pupils need to be assured of access to a free and appropriate public education. Three safeguards to meet that objective are discussed below.

First, movement to a population-based, rather than an identified student-based, funding system would not alter or jeopardize any of the due process safeguards under current law. Similarly, the compliance review and complaint resolution process would remain in place.

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Second, we propose retaining the existing requirement that state and federal special education funds be used solely for special education services provided to pupils with IEPs. Compliance with this requirement would be ensured through modification of existing state monitoring and periodic audit procedures.

Third, we propose that oversight of special education programs focus on whether LEAs are delivering services to children who need and are eligible for them, and are delivering them in such a manner as to benefit the children receiving them. For purposes of implementing the proposed new funding model, we recommend that, specifically, the CDE modify its oversight to assure that (1) services are planned, developed, organized, and delivered in a manner that provides accountability and (2) the additional flexibility provided by the new funding model does not result in an erosion of compliance with current state and federal law in any SELPA, LEA, or school site. This new oversight would replace the portion of the existing process aimed at monitoring the number and type of instructional settings operated.

The CDE is currently developing a proposal to ensure accountability for all education programs along the lines we suggest for special education. The specific changes we propose would not conflict with this effort; in fact, they are an integral part of broader reforms.

It is beyond the scope of this report to develop a specific proposal for oversight of local programs. However, the 1995 Budget Act directs the CDE to develop such a proposal by January 1, 1996. Thus, the report would be complete before the Legislature takes action on the proposed new funding model. The CDE has convened a group to work on this project, and has held several public input sessions.

PHASE-IN OF ACCOUNTABILITY CHANGES

The funding changes we propose would be effective for all SELPAs in the first year following enactment of legislation, with funding

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equalization phased in over a five-year period. The accountability system changes cannot be implemented for all SELPAs at once, however, because the length of time involved to prepare a new local plan under the new system will vary significantly from SELPA to SELPA. In part, the amount of time needed will depend on the extent to which the SELPA wishes to implement significant programmatic changes.

We propose that the accountability system changes be linked to the programmatic flexibility provided in the new funding model. In other words, SELPAs would be able to use the programmatic flexibility once they submit a detailed local plan as discussed in the previous section on governance. Before they have submitted a satisfactory plan, they would be required to submit J-50-like reports documenting that they operated the services for which they were funded.

We propose that SELPAs be required to convert to the new accountability system at the time they would be required to submit their next local plans in the existing planning cycle (once every four years). A SELPA should be allowed to convert to the new accountability system earlier, if it wishes to, by submitting a detailed local plan amendment under existing procedures.

NONPUBLIC SCHOOLS/AGENCIES

We propose that state support for nonpublic school placements and nonpublic agency services be rolled into the base allocation to be distributed along with other state support. Under the current funding model, an LEA is entitled to 70 percent of the excess cost of these services. The LEA is responsible for the remaining 30 percent. LEAs participate in the IEP process for students placed in nonpublic schools/agencies, and therefore, have some influence on these placements.

Below we examine the reasons for rapid growth in nonpublic school/agency costs, and discuss the rationale for our proposal, first for nonpublic agencies, then for nonpublic schools. We also discuss

our recommendation to protect LEAs from extraordinary costs related to individual nonpublic school placements.

In general, nonpublic schools provide both education and related services to children with exceptional needs, while nonpublic agencies provide only related services, such as occupational therapy, physical therapy, and psychotherapy.

Nonpublic Agencies

Under the current system, LEAs have a clear fiscal incentive to contract with a nonpublic agency for a service rather than provide the service directly. This is because LEAs pay 30 percent of the costs of contracting with a nonpublic agency. In contrast, they pay 100 percent of the costs for providing services directly if (1) the services are provided to pupils whose primary placement is in SDCs or resource specialist programs or (2) the services are provided to pupils placed in designated instruction and services (receiving related services only), but the number of pupils served exceeds the number funded by the current funding model. Even if the pupil can be accommodated within the funding model, LEA costs often exceed the 30 percent share because the state funding provided for certain types of noneducational professional staff is substantially less than the actual cost for the salaries and benefits of these staff.

The incentive created by the current funding model to use nonpublic agencies whenever possible has contributed to rapidly escalating costs for nonpublic schools/agencies. (Another factor is difficulties LEAs are having obtaining related services from noneducation agencies.) Just as important, the use of nonpublic agencies for the delivery of related services has greatly reduced the capacity of LEAs to provide these services themselves. In fact, some LEAs have encouraged regular employees to terminate employment for the purpose of contracting as nonpublic agencies. In recent years the practice of using nonpublic agencies for service delivery has been extended to resource specialist services and special day classes. Reforms enacted in Ch 939/93 (AB 2355, Eastin), which deny reimbursement for contracting with an ex-employee as a nonpublic agency within 365 days after that

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employee leaves the LEA, discourage these practices. However, the incentive to use nonpublic agencies for special education services still exists, and contracts already in existence were not affected by the enactment of AB 2355.

We could not identify any reason to provide a higher level of funding to LEAs when they contract with private agencies to provide a service than when they provide the service directly. Accordingly, we propose to eliminate the fiscal incentive by rolling nonpublic agency funding into base allocations for special education. This proposal is consistent with the principle of programmatic flexibility. LEAs that wish to continue current contracts will have the state's contribution for these contracts folded into their base allocation. These funds would still be available for nonpublic agency contracts. LEAs that wish to explore other options, such as hiring personnel to deliver services, negotiating with health maintenance organizations to deliver services, or combining resources at the SELPA or county level to negotiate with nonpublic service providers, will be able to do so.

Nonpublic Schools

The situation with nonpublic schools is more complex. There appear to be three factors affecting rapidly increasing nonpublic school costs: fiscal incentives, program management, and litigation. The effect of these factors can vary significantly from LEA to LEA and from year to year.

Fiscal Incentives. Many LEAs experience a fiscal advantage by placing a child in a nonpublic school. The size of the advantage—and whether it exists at all—depends on the interplay of the tuition costs of the nonpublic school, the unit rates of the LEA, the number of unfunded units (if any), and the cost of the services needed by the pupil. This fiscal advantage, where it exists, is part of the cause of rising nonpublic school costs.

Program Management. Based on our field visits, program management decisions are responsible for a portion of rising costs. For example, in some SELPAs pupils may be placed in nonpublic schools by local school sites without adequate review of whether the SELPA itself

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could offer comparable services at a lower cost. Such school site decisions might be justified within the limited context of an individual pupil. However, the school site may not be aware of similar pupil needs at other sites that may justify offering the services within the SELPA.

Litigation. There are anecdotal accounts of parents forcing LEAs to enroll their children in nonpublic schools through litigation or threat of litigation. Although litigation may explain the rapid increase in costs in some LEAs in some years, based on an examination of the evidence we conclude that the incidence of litigation is a relatively small factor in explaining the rapid increase in statewide nonpublic school costs.

Reversing current trends in nonpublic school placement may present administrative difficulties. In some areas, both public and nonpublic school administrators have come to expect that special education students with troublesome behavior will be served in a nonpublic setting. If LEAs are to decrease the rate of placement in nonpublic schools, they must have the resources to meet student needs in a public setting. Combining the current state funds allocated for nonpublic schools in the base allocation makes resources available to meet student needs in public schools that serve these children. Therefore, we propose including the current state contribution for the costs of nonpublic schools in the base allocation for SELPAs.

Similar to the situation with nonpublic agencies, we believe that including funding for nonpublic schools within the base allocation could lead to the development of new special education programs within the public schools. SELPAs will have state funding for their current contracts included in their base allocation, so those SELPAs that wish to continue the current level of utilization of nonpublic schools will have funds to do so. Alternatively, SELPAs that wish, over time, to decrease their nonpublic school placement rates will have funds available to develop their own programs. While all funds will be subject to the equalization provision of the phase-in plan, discussed above, the state would not reduce funding, as it does in the current model, if students are moved from a nonpublic school to a public school placement.

Extraordinary Costs

Although including funding for nonpublic schools and agencies in the base allocation eliminates inappropriate fiscal incentives and provides resources for change, we recognize that significant nonpublic school costs can be imposed on LEAs by other agencies, including courts. Although LEAs have some influence over placement decisions, we believe that no individual LEA should experience extraordinary costs from mandated placements.

We propose two types of protection from extraordinary costs associated with nonpublic school placements. First, we propose that the state create an extraordinary cost pool, to be funded by annual appropriations, to protect SELPAs from extraordinarily high-cost single placements. We recommend that SELPAs be responsible for costs up to 250 percent of the statewide average cost for a nonpublic school placement. Based on the current average, SELPAs would be responsible for up to approximately \$50,000. Under our proposal, the state would pay all costs in excess of this threshold.

We propose to begin with an appropriation of \$1 million for the extraordinary cost pool.

Second, we propose to protect SELPAs from being liable for costs for children placed in nonpublic schools whose parents move into the SELPA during the school year. Current law requires the new SELPA to pay as soon as the move is complete. We propose a requirement in cases where the parents of a child in a nonpublic school placement move to a different SELPA, that SELPAs continue to fund placements that they initiate for the remainder of the school year.

LICENSED CHILDREN'S INSTITUTIONS (LCIs)

The current funding model recognizes the additional costs imposed on LEAs by pupils who have been placed in LCIs by noneducational agencies. If a child living in an LCI had a legal residence in another

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LEA prior to placement, or is a ward of the court, LEAs receive an enhanced funding level. They are reimbursed for 100 percent of tuition costs if the child is served by a nonpublic school, or receive full unit funding (the amount calculated prior to application of a deficit factor applied to all special education funding) if the child is served by the LEA.

Due to the uneven impact LCI placements have on LEAs and SELPAs, we believe that services for disabled children residing in LCIs should not be funded based on total pupil population. Instead, we have developed a method for adjusting SELPA funding to account for the varying impact of LCIs, using data on the population and the relative incidence of need for special education services in distinct subgroups of LCI pupils. In each subgroup, we propose to define the population in a manner that does not depend on identification of these pupils for special education. Consequently, basing the funding formula on the number of these pupils would not create an incentive for SELPAs to identify pupils to maximize funding for special education.

We propose to apply this funding methodology to two additional types of facilities not now defined as LCIs: health facilities serving developmentally disabled children and juvenile court schools.

Below we discuss the five distinct subgroups we identified and how the proposed funding model would work.

Regional Center and State Developmental Center Placements

The first subgroup is pupils placed in LCIs or health facilities by regional centers and state developmental centers. By definition, all of these pupils need special education services.

County Placements

County agencies placing children in group homes and foster family homes include the courts, social services agencies and mental health

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agencies. Mental health placements include placements made under Ch 1747/84 (AB 3632, W. Brown).

There is a natural division of this group corresponding to the incidence of need for special education services: children in group homes classified at foster care rate levels 13 and 14, children in group homes classified at lower levels, and children in foster family homes. These are our second, third and fourth subgroups.

The second subgroup we identify is pupils in group homes who have been classified at foster care rate levels 13 and 14. Children in this group have, without exception, been previously assessed as seriously emotionally disturbed and in need of special education services.

The third subgroup we identify is pupils in group homes who have been classified below level 13. Not all of these pupils need special education, although we expect the incidence of disability among these pupils to be higher than the incidence among the general school population. The fourth subgroup is pupils residing in foster family homes. We expect the incidence of disability to be higher among the foster family home pupils than among the general school population, but lower than the incidence among the group home pupils. We base these conclusions on discussions with SELPAs and examination of data on group home and foster family home placements.

Our fifth subgroup is children in county juvenile court schools. Although these facilities are not categorized as LCIs, the funding issues are similar. Based on discussions with county administrators, we expect the incidence of disability among these pupils to be around the same as in foster family homes.

How the Model Would Work

Under our proposal each subgroup would be assigned a weight corresponding to the expected incidence of need for special education services. Pupils placed at foster care rate levels 13 and 14 and pupils placed by regional centers and developmental centers would be assigned a weight of ten because the incidence of need for special

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education services in these groups is approximately ten times the incidence in the general pupil population. (The incidence is 100 percent, compared to an incidence of 10 percent in the general population assumed in current law.) Each licensed group home bed, whether occupied or not, would be assigned a weight of five. Foster family home beds and court school ADA would be assigned a weight of two. The total amount of available funding in the base year for pupils residing in LCIs (in 1993-94, \$168.8 million) would be distributed to each SELPA based on each SELPA's population of pupils in LCIs, with each of the subgroups weighted accordingly. (For additional discussion of this issue, see Appendix C.)

All of the information necessary to allocate funds in this manner is available at the state level.

Although these funds would be allocated based on the population of pupils residing in LCIs, there would be no requirement that the funds be used only for those pupils. Consistent with the principle of flexibility, SELPAs would be able to use these funds to provide services to any pupil with an IEP. Neither is the amount of funds allocated for LCIs intended to cover all services required by all pupils residing in LCIs. Funding for students residing in LCIs is also included in the amount each SELPA would receive based on total student population.

Finally, the weights that are attached to each subgroup are our best estimates regarding the relative incidence of need for special education services. If circumstances change, we would suggest that the weights be reconsidered.

Access to Students

In our field visits, LEA staff indicated that, in some cases, they did not have the opportunity to develop their own programs for children residing in LCIs. Often, a condition of placement by the noneducation agency is that the child be served at an on-site school. In many cases these restrictions are justified. However, for LEAs to retain responsibility for making educational decisions, they must be able to provide

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services at residential facilities if necessary. One way of ensuring access would be to prohibit LCIs from operating nonpublic schools unless they obtain a waiver from the State Board of Education. A similar prohibition already exists for hospital-operated nonpublic schools.

LOW-INCIDENCE FUND (LIF)

The state currently provides some funding for specialized equipment to serve students with low-incidence disabilities. (In 1994-95, this funding totaled \$8 million.) We propose continuing the LIF in its current form. In addition, federal funding for specialized services for pupils with low-incidence disabilities would continue to be set aside.

OPEN ISSUES

During our field visits, numerous people raised other important issues, whose resolution lies outside the funding model. We summarize the comments below.

- ***State and Federal Funding Levels.*** Many individuals believe that the funding level for special education (and general education as well) is inadequate. A major contributing factor to this problem is a shortage in federal funding, which is far below the level originally intended by Congress (40 percent of certain costs). Based on congressional intent, federal support to California fell short by \$745 million in 1992-93 (based on the 40 percent intent). According to estimates developed by the federally sponsored Center for Special Education Finance, if congressional intent were adjusted to reflect current data, California's 1992-93 shortfall would increase to slightly over \$1 billion.

Many individuals cite the extent to which LEAs spend their general-purpose (revenue limit) funds on special education as an indication of the size of the funding shortage. We discuss this issue—termed “encroachment”—in Appendix E.

- ***Litigation.*** Many LEA staff discussed problems they were encountering with litigation. They believe that reducing the amount of litigation could free up local funds to provide additional services. Many SELPAs are developing programs in which parents of current or former students with special needs provide information, support, and consultation with parents of new special needs students. We met with a few of these “resource parents” in one SELPA and believe that this approach has great potential to reduce the current level of litigation because it provides an alternative source of information and support for parents of new students.

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- ***Interagency Coordination.*** Many LEA staff discussed problems they were encountering with coordination with California Children's Services and/or the Department of Mental Health for the provision of physical therapy, occupational therapy, psychotherapy, and other services. LEA staff noted that when other agencies do not provide these services the responsibility falls to the LEA. This situation, according to LEA staff, is one of the causes of rapidly increasing nonpublic agency costs in special education.
- ***Transportation.*** Currently, LEAs receive a single allocation from the state for transportation services. LEAs choose how to divide that allocation between general (home-to-school) and special education transportation services. Home-to-school transportation is not a state-mandated program. LEAs have discretion regarding whether to operate pupil transportation services and whether to assess fees to offset the costs of transportation services. On the other hand, transportation of special education pupils, when required by the pupil's IEP, is a "related service" mandated by federal law. Federal rules prohibit LEAs from assessing fees to parents of special education pupils for transportation services—even if the fee is no greater than the amount assessed to parents of nondisabled pupils.

There are two issues related to special education transportation. First, LEA representatives questioned whether special education transportation should be funded differently from home-to-school transportation given its status as a federal mandate. Second, there was anecdotal evidence that the circumstances under which transportation is included in a pupil's IEP vary considerably from LEA to LEA. Further clarification of state and federal law regarding when special education transportation is required might prove helpful in administering the special education program.

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Appendix A

1994 Supplemental Report Language

Report on New Funding Model for the Master Plan for Special Education. It is the intent of the Legislature that the Superintendent of Public Instruction (SPI), the Director of Finance, and the Legislative Analyst, or a designee of each of these persons, shall develop a new funding mechanism for special education programs and services offered in this state. The new funding mechanism shall include, but not be limited to, the following:

- a. A method to ensure equity in funding between school districts and county offices of education that provide services to pupils with exceptional needs.
- b. An elimination of financial incentives to place pupils in special education programs.
- c. A system that recognizes the interaction between funding for special education programs and services, revenue limits for school districts, and funding for categorical programs.
- d. A proposal to phase in the newly developed funding formula on a gradual basis over two to five years, so as not to disrupt educational services to students enrolled in regular or special education programs.

1994 Supplemental Report Language

In developing the funding mechanism the SPI, the Director of Finance, and the Legislative Analyst, or a designee of each of these persons, shall consult with teachers, parents, and administrators of both regular and special education pupils, members of the Advisory Commission on Special Education, and other interested parties.

The three agencies shall reach an overall consensus on a new funding model, but not necessarily consensus on each of its components, and shall submit the new funding model to the appropriate chairs of the committees that consider appropriations, the appropriate policy committee chairs, and the Chair of the Joint Legislative Budget Committee on or before May 31, 1995.

Appendix B

Information Resources

Figure 1

Organizations and Individuals

Fall 1994 Meetings (Before the Preliminary Report)

Advisory Commission on Special Education
Peter Birdsall—Peter Birdsall & Associates, Inc.
California Association of Resource Specialists
California School Boards Association
California Teachers Association
CDE Special Education Division Master Plan II Conference
Kim Connor—Senate Office of Research
Council for Exceptional Children
Paul Goldfinger—School Services of California, Inc.
Loni Hancock, Secretary's Regional Representative—U.S. Department of Education
Thomas Hehir, Director, Office of Special Education Programs—U.S. Department of Education
Judith E. Heumann, Assistant Secretary—U.S. Department of Education
Diane J. Lipton, Staff Attorney—Disability Rights Education & Defense Fund, Inc.
Tom Parrish and Jay Chambers, Co-Directors—The Center for Special Education Finance
Special Education Administrators of County Offices (SEACO)
Special Education Coalition, San Rafael (correspondence only)
Special Education Local Plan Area Administrators
Special Education Fall (1994) Conference
State Board of Education
David Walrath—Murdoch, Walrath & Holmes
William Whiteneck—Senate Education Committee

Winter and Spring 1995 Meetings (Since the Preliminary Report)

Advisory Commission on Special Education
Association of California School Administrators (ACSA), Superintendency Committee
Association of California School Administrators (ACSA), Pupil Personnel and
Special Education Committee
California Association of Private Specialized Education and Services (CAPSES)
California Association of Program Specialists
California Association of Resource Specialists
California Association of School Psychologists
California County Superintendents' Educational Services Associations' Special
Education Funding Task Force
California Teachers Association
Comprehensive System of Personnel Development Advisory Committee (CSPDAC)
Council for Exceptional Children
County Offices of Education, Chief Business Officials
Developmental Disabilities Area Boards (statewide meeting)
EdSource, Menlo Park
Learning Disabilities Association (Los Angeles)
Legislative Policy and Fiscal Staff
Low Incidence Disabilities Advisory Committee (LIDAC)
Sacramento Management Group
Sacramento Area Advocates
Special Education Administrators of County Offices (SEACO)
Special Education Local Plan Area Administrators
State Board of Education
United States Department of Education, Office of Special Education Programs
(conference call)

Figure 2

Local Education Agencies

Fall 1994 Meetings (Before the Preliminary Report)

Riverside County Office of Education	San Diego USD
San Diego Group Meeting (San Diego County host)	Auburn Group Meeting (Placer-Nevada County SELPA host)
East County SELPA	Pleasant Valley Elementary SD
Oceanside City USD	Western Placer USD
Fallbrook Union Elementary SD	Eureka Union Elementary SD
Fallbrook Union High SD	Rocklin USD
Carlsbad USD	Clear Creek Elementary SD
Grossmont Union High SD	Dry Creek Joint Elementary SD
La Mesa-Spring Valley SD	Loomis Union Elementary SD
Mountain Empire USD	Ackerman Elementary SD
Santee Elementary SD	Placer County Office of Education
Julian Union Elementary SD	Nevada County Office of Education
Poway USD	Roseville City Elementary SD
Cajon Valley Union Elementary SD	Fresno County Office of Education
Encinitas Union Elementary SD	Santa Barbara County SELPA
Sweetwater Union High SD	Irvine USD
Lakeside Union Elementary SD	Los Angeles USD
San Diego County Office of Education	Whittier Area Cooperative SELPA
San Diego USD	San Mateo County Office of Education
North Inland SELPA	San Juan USD
Concord Group Meeting (Contra Costa SELPA host)	Sacramento USD
San Ramon Valley USD	Red Bluff Group Meeting (Tehama County host)
John Swett USD	Lake County Office of Education
Brentwood Union Elementary SD	Glenn County Office of Education
Oakley Union Elementary SD	Humboldt County Office of Education
Orinda Union Elementary SD	Siskiyou County Office of Education
Walnut Creek Elementary SD	Shasta County Office of Education
Pittsburg USD	Trinity County Office of Education
Antioch USD	Colusa County Office of Education
Martinez USD	Tehama County Office of Education
Knightsen Elementary SD	Elk Grove USD
Contra Costa County Office of Education	Clovis USD
Contra Costa SELPA	Oakland USD (correspondence only)
Merced County Office of Education (correspondence only)	Kelseyville USD (correspondence only)
Solano County School Districts (correspondence only)	

Winter and Spring 1995 Meetings (Since the Preliminary Report)

Los Angeles Unified SD

Regional Meetings	
Fresno	Modesto
Riverside	Los Angeles (2 sessions)
Orange County (2 sessions)	Santa Clara
Marin	Red Bluff
San Diego	

Appendix C

Phase-in of the New Funding Model

A preliminary phase-in model is attached to this report for illustration purposes only. The model is intended as an approximation, an example of how funding equalization, pursuant to the principles described in this report, might proceed over a five-year period. Due to data limitations, the preliminary model does not include any funds allocated for children residing in LCIs.

There are a number of caveats associated with the model. First, we do not claim that the base year data displayed in the model are absolutely accurate. The model is our best representation of the funding available by SELPA given the time and data available to us. Second, the base year used for these calculations is not intended to represent the base year that would necessarily be selected if a new funding model were enacted. The actual base year (or base years) chosen for implementation of the new funding model would have to be specified in legislation. Third, the projections of average daily attendance (ADA) and increases in federal funding used in the model are only intended to be our best guess. Projections of trends in future congressional appropriations and population are, by their nature, imprecise. Finally, the method for dividing total funding for each SELPA into an LCI allocation and an amount subject to equalization is not the same method that will be used when the phase-in is actually implemented. This could lead to some differences in the effect of equalization adjustments on individual SELPAs.

Construction of the model can be separated into two steps: (1) calculation of the base year and (2) estimation of each successive year.

Calculation of the Base Year

A base year amount of total state funding, federal funding, and local property tax provided for the special education of children ages 3 to 22 is calculated. This is done by summing from each SELPA's J-50 the deficated (net) state apportionment, the federal funds, and the local special education property tax. To this total the following adjustments are made: (1) federal preschool grant funds are added, (2) deficated infant unit entitlements are subtracted, (3) deficated entitlements for units transferred to a SELPA from another SELPA are subtracted, and (4) deficated entitlements for units transferred from the SELPA to another SELPA are added. This yields the total funding allocated to the SELPA for special education in the base year.

From this total the amount of LCI funding (LCI nonpublic school allocations plus non-deficated unit funding) is subtracted, leaving a remaining amount subject to equalization. (When the phase-in is actually implemented, the initial LCI allocation would be subtracted rather than base-year LCI funding. The preliminary phase-in model uses base-year LCI funding because the data needed to derive initial LCI allocations were not readily available by SELPA. The calculations that will be used in the actual phase-in to derive the initial LCI allocations and to adjust funding in subsequent years are described in a separate section below.)

The remaining (non-LCI) funding amount is divided by the total ADA for all school districts and/or county offices within the SELPA for the base year. For county offices that serve more than one SELPA, the "pass-through" ADA must be distributed back to the districts of origin, then aggregated by SELPA. County office ADA (no district of origin) is attributed to the SELPA in which the county office reports. Dividing total funding by the number of ADA gives each SELPA's per capita amount of funding. SELPAs are then ranked from highest to lowest, and a statewide average per-capita amount is calculated for equalization purposes.

Estimation of Each Successive Year

Enrollment Assumptions. The projections incorporate enrollment forecasts by the Department of Finance's Demographic Research Unit. These forecasts were developed by estimating ADA increases for five years by school district, and aggregating those estimates into the current SELPAs.

Growth Funds. During phase-in all SELPAs will receive funding for their full growth. This amount will be determined by multiplying their increase in ADA (new ADA) by the statewide average per-capita amount. SELPAs with declining ADA will, however, be held harmless for one year. In the subsequent year, if their ADA is still declining, the first year's negative growth adjustment will be applied. This treatment of special education growth is similar to the way growth is calculated for revenue limits.

Equalization Funds. The total funding available for equalization is equal to the amount appropriated for the COLA and any increase in federal funds. Equalization funding is allocated by first determining a statewide target, and then distributing funds to those SELPAs below the target in relation to their distance from it.

In the first year, the target is calculated by multiplying the base year statewide average per-capita amount by one plus the percentage increase in COLA. (The COLA percentage would be determined in the current fashion.) For example, if the base year average were \$400, and the COLA were 5 percent, the statewide target for the first year would be \$420. In each successive year, the previous year's target is increased by the COLA percentage to arrive at a new target.

SELPAs whose per-capita amount is less than the target amount are eligible for equalization funding. The amount of available equalization funding is distributed to SELPAs below the target in proportion to their distance from the target. In other words, if the amount of equalization funding available is, for example, 20 percent of the amount required to raise all low-funded SELPAs to the statewide

target, each SELPA below the target would receive 20 percent of the funding needed to bring its per-capita amount to the statewide target.

The attached spreadsheets illustrate the effect of following these procedures for the five-year phase-in period.

LCI Allocations

In the time available, we were unable to calculate LCI allocations due to data limitations. Accordingly, the preliminary phase-in model does not include any LCI funding. The method we propose for calculating the initial LCI allocations and subsequent-year adjustments is described below.

The amount of funding claimed in the base year by each SELPA for pupils residing in LCIs (both for nondeficit units and nonpublic schools) will be totaled statewide. This amount will be divided by the statewide population of pupils residing in LCIs, weighted in the following fashion:

- The number of pupils in placements at foster care rate levels 13 and 14 and in regional center or state developmental center placements will be multiplied by ten.
- The number of group home beds will be multiplied by five.
- The number of foster family home beds and the juvenile court ADA will be multiplied by two.

Each SELPA will receive an allocation from the available funding based on its population of pupils residing in LCIs weighted as above. This allocation may be more or less than the SELPA received in the base year for pupils residing in LCIs. Under our proposed methodology, no SELPA would experience a change in its initial overall funding level as a result of this difference. This is because the non-LCI base funding would rise or fall by the amount of the difference. However,

these changes in a SELPA's non-LCI base funding could affect the per-capita amount calculated for each SELPA at the beginning of phase-in.

In subsequent years, the LCI allocations would change based on the population change in each of the subgroups and cost-of-living adjustments.

Proposed Funding Model

1993-94 Data								
Growth								
COLA								
Increase in Federal Funds								
Total Available for Equalization								
Statewide Target								
					345			
		ADA	Adjusted GF	Prop. Tax	Fed. Funds	Preschool	Total	\$ Per ADA
01	Anaheim City School District SELPA	16,585	3,759,851	673,450	429,969	205,570	5,068,840	306
02	Antelope Valley SELPA	55,870	11,084,062	3,323,129	1,690,930	397,007	16,495,128	295
03	Bakersfield City SELPA	25,721	7,386,293	0	833,816	314,140	8,534,249	332
04	Butte County SELPA	32,091	5,831,917	3,643,667	1,283,906	322,677	11,082,167	345
05	Clovis Unified SELPA	27,099	4,857,618	0	750,505	152,936	5,761,059	213
06	Colusa County SELPA	3,887	998,264	165,552	144,030	26,307	1,334,153	343
07	Contra Costa SELPA	71,065	18,567,176	7,483,405	2,451,319	920,786	29,422,686	414
08	Corona-Norco Unified SELPA	25,120	6,544,563	0	783,334	186,654	7,514,551	299
09	Desert Mountain SELPA	63,539	17,078,647	2,022,796	2,211,975	489,581	21,802,999	343
10	East County SELPA	73,960	19,165,388	183,191	2,724,903	1,234,801	23,308,283	315
11	East San Gabriel Valley SELPA	123,612	31,619,702	5,763,676	4,129,892	754,683	42,267,953	342
12	East Valley Consortium SELPA	68,978	16,437,697	4,388,314	2,668,774	659,223	24,154,008	350
13	El Dorado County SELPA	21,760	4,940,923	888,605	753,329	179,196	6,762,053	311
14	Elk Grove Unified SELPA	31,368	9,599,456	0	947,133	425,093	10,971,682	350
15	Fontana Unified SELPA	28,548	8,003,675	0	898,770	252,064	9,154,509	321
16	Foothill SELPA	44,912	10,770,674	0	1,291,320	254,123	12,316,117	274
17	Fresno County SELPA	58,637	9,966,075	4,364,035	2,173,145	616,489	17,119,744	292
18	Fresno Unified SELPA	74,091	19,866,102	0	2,681,482	634,206	23,181,790	313
19	Garden Grove Unified SELPA	41,031	11,074,147	802,960	1,178,002	112,533	13,167,642	321
20	Glenn County SELPA	5,945	1,399,244	675,265	188,509	71,766	2,334,784	393
21	Greater Anaheim SELPA	46,128	12,159,697	699,352	1,437,467	353,402	14,649,918	318
22	Humboldt-Del Norte SELPA	26,118	7,265,134	540,782	1,013,852	335,092	9,154,860	351
23	Imperial County SELPA	31,031	4,597,260	995,915	939,719	93,210	6,626,104	214
24	Inyo County SELPA	3,368	1,001,752	0	135,204	66,585	1,203,541	357
25	Irvine Unified SELPA	21,438	6,462,151	1,502,311	746,621	163,327	8,874,410	414
26	Kern County SELPA	80,698	16,425,302	4,051,067	2,520,862	472,821	23,470,052	291
27	Kern Union High SELPA	21,453	4,665,199	0	554,935	0	5,220,134	243
28	Kings County SELPA	22,432	4,936,981	654,908	694,728	143,210	6,429,827	287
29	Lake County SELPA	9,928	2,361,225	298,673	386,549	126,226	3,172,673	320
30	Lake Tahoe-Alpine SELPA	5,501	1,430,365	0	239,695	88,465	1,758,525	320
31	Lassen County SELPA	5,195	2,106,102	553,857	223,810	37,142	2,920,911	562
32	Lodi Area SELPA	24,923	5,020,190	0	851,819	146,471	6,018,480	241
33	Long Beach Unified SELPA	74,285	18,672,988	0	2,132,548	81,885	20,887,421	281

New Funding Model for Special Education -- Part III

34	Los Angeles Unified SELPA	607,446	209,752,201	0	20,554,148	9,059,651	239,366,000	394
35	Madera-Mariposa Co. SELPA	23,422	4,295,774	2,449,452	798,161	340,561	7,883,948	337
36	Marin County SELPA	26,315	7,200,595	4,272,424	1,036,445	497,230	13,006,694	494
37	Mendocino County SELPA	15,421	6,685,175	956,736	695,788	778,808	9,116,507	591
38	Merced County Selpa	44,878	12,584,235	1,776,693	1,721,288	326,641	16,408,857	366
39	Mid Cities/Downey-Montebello SELPA	115,205	21,533,267	8,389,559	3,065,914	274,754	33,263,494	289
40	Mid-Alameda County SELPA	41,837	9,481,415	0	1,501,009	459,450	11,441,874	273
41	Modoc County SELPA	2,235	1,235,965	82,930	126,025	34,767	1,479,687	662
42	Mono County SELPA	1,738	827,453	0	89,665	21,822	938,940	540
43	Monterey County SELPA	59,346	14,642,923	1,514,140	2,116,310	354,437	18,627,810	314
44	Moreno Valley Unified SELPA	30,598	8,959,849	0	1,152,233	133,367	10,245,449	335
45	Morongo Unified SELPA	9,919	3,216,123	0	446,207	381,666	4,043,996	408
46	Mt. Diablo Unified SELPA	33,491	10,178,662	0	1,280,376	293,760	11,752,798	351
47	Napa County SELPA	17,341	4,374,842	1,092,883	592,001	194,992	6,254,718	361
48	Newport-Mesa Unified SELPA	17,136	5,262,325	1,605,919	645,307	106,669	7,620,220	445
49	North Coastal SELPA	82,455	19,511,665	1,740,681	2,431,550	1,100,694	24,784,590	301
50	North Inland SELPA	33,541	6,573,877	996,796	1,067,863	670,974	9,309,510	278
51	North Orange County SELPA	34,894	1,975,159	2,183,574	1,315,324	170,792	5,644,849	162
52	North Region SELPA	23,628	7,939,707	0	832,050	245,543	9,017,300	382
53	North Santa Cruz Co. SELPA	19,441	4,746,536	2,655,689	808,045	145,357	8,355,627	430
54	Northeast Orange County SELPA	27,771	6,258,398	699,352	803,103	219,804	7,980,657	287
55	Norwalk-La Mirada/ABC SELPA	39,991	11,498,208	0	1,185,769	412,974	13,096,951	328
56	Oakland Unified SELPA	50,909	16,098,088	3,398,528	1,803,188	60,270	21,360,074	420
57	Orange Unified SELPA	25,934	8,599,691	673,450	909,360	205,657	10,388,158	401
58	Pajaro Valley Joint Unified SELPA	16,426	5,906,599	0	683,785	224,685	6,815,069	415
59	Pasadena Unified SELPA	21,559	5,743,598	0	886,767	323,987	6,954,352	323
60	Placer-Nevada Counties SELPA	51,754	9,966,537	3,483,357	1,727,290	409,297	15,586,481	301
61	Plumas Unified SELPA	3,744	622,947	0	143,676	9,160	775,783	207
62	Poway Unified SELPA	27,879	5,212,962	0	631,893	186,910	6,031,765	216
63	Puente Hills Serv. Area SELPA	39,659	9,994,037	1,614,079	1,196,712	138,699	12,943,527	326
64	Riverside County SELPA	156,508	35,703,850	9,847,978	5,398,266	1,093,057	52,043,151	333
65	Riverside Unified SELPA	32,972	9,544,531	0	1,194,241	307,607	11,046,379	335
66	Sacramento City Unified SELPA	48,543	14,779,335	0	1,805,658	400,650	16,985,643	350
67	Sacramento County SELPA	56,427	8,112,154	7,477,672	2,271,635	690,374	18,551,835	329
68	San Benito County SELPA	8,406	2,627,117	270,559	314,534	66,635	3,278,845	390
69	San Bernardino City Unified SELPA	41,841	12,185,152	0	1,585,732	118,784	13,889,668	332
70	San Diego City Unified SELPA	123,230	39,418,959	0	4,413,008	1,544,157	45,376,124	368
71	San Francisco Unified SELPA	61,019	30,226,780	0	2,282,578	231,494	32,740,852	537
72	San Joaquin County SELPA	41,247	7,225,596	1,108,581	1,312,147	221,347	9,867,671	239
73	San Juan Unified SELPA	46,580	13,887,040	0	1,797,892	521,214	16,206,146	348
74	San Luis Obispo County SELPA	32,485	4,538,670	4,992,001	1,129,640	219,973	10,880,284	335
75	San Mateo County SELPA	85,325	20,040,043	9,476,401	2,977,306	486,980	32,980,730	387
76	Santa Ana Unified SELPA	46,682	11,611,886	880,665	1,306,146	454,091	14,252,788	305
77	Santa Barbara County SELPA	55,602	14,308,416	4,475,009	1,861,082	569,456	21,213,963	382
78	Santa Clara Area I SELPA	19,018	5,842,014	713,658	737,443	196,632	7,489,747	394
79	Santa Clara Area II SELPA	26,884	8,077,956	823,832	873,000	314,252	10,089,040	375
80	Santa Clara Area III SELPA	32,472	-5,482,889	22,510,440	1,297,321	270,391	18,595,263	573
81	Santa Clara Area IV SELPA	30,090	8,558,320	1,037,662	1,092,927	174,036	10,862,945	361
82	Santa Clara Area V SELPA	90,577	25,852,362	2,928,774	3,111,805	773,927	32,666,868	361
83	Santa Clara Area VI SELPA	16,880	4,021,724	542,814	550,700	141,596	5,256,834	311
84	Santa Clara Area VII SELPA	15,293	4,990,113	461,836	459,622	159,072	6,070,643	397
85	Santa Clarita Valley SELPA	28,410	6,996,272	1,595,492	895,593	432,702	9,920,059	349
86	Shasta County SELPA	29,103	7,881,250	1,136,706	1,093,279	47,405	10,158,640	349

New Funding Model for Special Education -- Part III

87	Sierra County SELPA	830	593,559	0	30,712	21,831	646,102	779
88	Siskiyou County SELPA	8,636	3,140,832	97,291	394,315	115,795	3,748,233	434
89	Solano County SELPA	46,048	10,300,094	2,254,053	1,691,635	374,678	14,620,460	318
90	Sonoma County SELPA	64,448	17,877,493	3,778,487	2,393,777	568,853	24,618,610	382
91	South Bay Service Area SELPA	70,371	17,379,430	5,071,728	2,411,427	891,667	25,754,252	366
92	South Orange County SELPA	64,648	14,472,495	3,341,348	1,507,363	235,186	19,556,392	303
93	Southwest Service Area SELPA	84,484	22,629,941	6,178,329	2,753,497	1,131,463	32,693,230	387
94	Stanislaus County SELPA	83,673	14,742,796	6,280,879	3,179,230	684,147	24,887,052	297
95	Stockton City Unified	32,633	9,517,196	0	1,131,405	180,671	10,829,272	332
96	Sutter County SELPA	13,834	3,805,500	237,050	549,993	187,778	4,780,321	346
97	Tehama County SELPA	10,502	2,577,738	1,054,776	370,310	51,260	4,054,084	386
98	Tri-Cities SELPA	19,740	6,782,767	0	690,492	148,390	7,621,649	386
99	Tri-County SELPA	19,668	6,315,573	690,337	734,972	413,836	8,154,718	415
100	Tri-Valley SELPA	24,201	5,597,244	0	832,756	165,066	6,595,066	273
101	Trinity County SELPA	2,486	1,313,823	93,371	131,320	87,396	1,625,910	654
102	Tulare County SELPA	77,972	18,452,426	2,359,966	2,649,358	2,872,982	26,334,732	338
103	Tustin Unified SELPA	12,286	2,707,908	569,642	299,001	87,639	3,664,190	298
104	Vallejo City Unified SELPA	18,931	4,647,169	0	693,670	90,145	5,430,984	287
105	Ventura County SELPA	127,138	30,418,958	4,443,049	4,078,706	1,013,900	39,954,613	314
106	Washington Township SELPA	48,154	12,797,777	0	1,600,911	264,857	14,663,545	305
107	West Contra Costa Unified SELPA	30,140	6,992,915	0	1,143,761	231,942	8,368,618	278
108	West End SELPA	97,379	26,585,323	0	3,187,702	546,833	30,319,858	311
109	West Orange County SELPA	41,910	17,253,487	248,941	1,574,435	301,361	19,378,224	462
110	West San Gabriel Valley SELPA	93,919	24,809,778	4,316,687	2,869,285	337,145	32,332,895	344
111	Whittier Area SELPA	43,828	13,503,594	0	1,334,740	635,232	15,473,566	353
112	Yolo County SELPA	23,001	4,344,972	2,531,355	771,685	215,465	7,863,477	342
113	Yuba County SELPA	13,212	3,147,003	611,499	603,651	157,071	4,519,224	342
	Totals	5,111,897	1,340,589,075	197,700,020	173,711,768	49,549,470	1,761,550,333	345

First Year 1994-95

Growth			1.23%	25,737,544						
COLA			3.20%	57,193,212						
Increase in Federal Funds				5,409,421						
Total Available for Equalization				62,202,633						
Statewide Target				356						
01	Anaheim City School District SELPA	17,161	576	204,819	307	829,121	364,865	5,638,524	329	569,684
02	Antelope Valley SELPA	58,030	2,160	767,984	297	3,373,723	1,484,648	18,747,760	323	2,252,632
03	Bakersfield City SELPA	25,517	-204	0	334	540,338	237,783	8,772,032	344	237,783
04	Butte County SELPA	32,696	604	214,865	346	330,365	145,381	11,442,414	350	360,247
05	Clovis Unified SELPA	28,373	1,275	453,344	219	3,875,900	1,705,638	7,920,041	279	2,158,982

New Funding Model for Special Education -- Part III

06	Colusa County SELPA	3,950	64	22,593	343	48,003	21,124	1,377,870	349	43,717
07	Contra Costa SELPA	73,042	1,977	702,929	412	0	0	30,125,615	412	702,929
08	Corona-Norco Unified SELPA	26,216	1,096	389,648	302	1,418,764	624,345	8,528,544	325	1,013,993
09	Desert Mountain SELPA	64,840	1,301	462,548	343	793,175	349,046	22,614,593	349	811,594
10	East County SELPA	74,455	496	176,301	315	2,993,659	1,317,397	24,801,981	333	1,493,698
11	East San Gabriel Valley SELPA	125,583	1,971	701,069	342	1,691,566	744,394	43,713,416	348	1,445,463
12	East Valley Consortium SELPA	70,448	1,470	522,762	350	376,309	165,599	24,842,369	353	688,361
13	El Dorado County SELPA	22,181	421	149,821	312	976,375	429,666	7,341,540	331	579,487
14	Elk Grove Unified SELPA	31,566	197	70,179	350	183,705	80,842	11,122,703	352	151,021
15	Fontana Unified SELPA	29,069	522	185,508	321	997,762	439,077	9,779,095	336	624,586
16	Foothill SELPA	45,708	796	283,064	276	3,655,710	1,608,740	14,207,921	311	1,891,804
17	Fresno County SELPA	59,770	1,133	403,048	293	3,732,902	1,642,709	19,165,501	321	2,045,757
18	Fresno Unified SELPA	71,051	-3,039	0	326	2,085,862	917,909	24,099,699	339	917,909
19	Garden Grove Unified SELPA	41,740	709	252,071	322	1,423,925	626,616	14,046,328	337	878,686
20	Glenn County SELPA	6,022	77	27,237	392	0	0	2,362,021	392	27,237
21	Greater Anaheim SELPA	47,449	1,321	469,877	319	1,754,388	772,040	15,891,835	335	1,241,917
22	Humboldt-Del Norte SELPA	26,227	109	38,621	351	133,519	58,757	9,252,237	353	97,377
23	Imperial County SELPA	31,498	466	165,849	216	4,409,398	1,940,410	8,732,363	277	2,106,259
24	Inyo County SELPA	3,387	19	6,800	357	0	0	1,210,341	357	6,800
25	Irvine Unified SELPA	21,849	411	146,265	413	0	0	9,020,675	413	146,265
26	Kern County SELPA	81,934	1,236	439,649	292	5,228,243	2,300,753	26,210,454	320	2,740,402
27	Kern Union High SELPA	22,523	1,070	380,395	249	2,409,110	1,060,159	6,660,687	296	1,440,553
28	Kings County SELPA	22,866	434	154,256	288	1,547,628	681,053	7,265,136	318	835,309
29	Lake County SELPA	9,895	-33	0	321	346,140	152,323	3,324,996	336	152,323
30	Lake Tahoe-Alpine SELPA	5,638	137	48,877	321	197,599	86,956	1,894,358	336	135,833
31	Lassen County SELPA	5,265	70	24,819	559	0	0	2,945,730	559	24,819
32	Lodi Area SELPA	24,893	-29	0	242	2,834,254	1,247,248	7,265,728	292	1,247,248
33	Long Beach Unified SELPA	75,711	1,426	507,051	283	5,530,139	2,433,606	23,828,077	315	2,940,656
34	Los Angeles Unified SELPA	605,743	-1,703	0	395	0	0	239,366,000	395	0
35	Madera-Mariposa Co. SELPA	23,764	343	121,816	337	445,469	196,034	8,201,798	345	317,850
36	Marin County SELPA	26,711	395	140,593	492	0	0	13,147,287	492	140,593
37	Mendocino County SELPA	15,366	-55	0	593	0	0	9,116,507	593	0
38	Merced County Selpa	44,926	48	17,166	366	0	0	16,426,023	366	17,166
39	Mid Cities/Downey-Montebello SELPA	116,338	1,133	403,044	289	7,706,315	3,391,259	37,057,797	319	3,794,303
40	Mid-Alameda County SELPA	41,535	-302	0	275	3,329,099	1,465,011	12,906,885	311	1,465,011
41	Modoc County SELPA	2,271	37	13,012	657	0	0	1,492,699	657	13,012
42	Mono County SELPA	1,777	39	13,720	536	0	0	952,660	536	13,720
43	Monterey County SELPA	59,820	474	168,705	314	2,476,974	1,090,023	19,886,538	332	1,258,728
44	Moreno Valley Unified SELPA	30,889	291	103,526	335	636,103	279,925	10,628,900	344	383,451
45	Morongo Unified SELPA	9,722	-197	0	416	0	0	4,043,996	416	0
46	Mt. Diablo Unified SELPA	33,647	156	55,374	351	157,421	69,275	11,877,448	353	124,650
47	Napa County SELPA	17,737	395	140,568	361	0	0	6,395,286	361	140,568
48	Newport-Mesa Unified SELPA	17,470	334	118,654	443	0	0	7,738,874	443	118,654
49	North Coastal SELPA	84,686	2,230	793,194	302	4,538,638	1,997,284	27,575,068	326	2,790,478
50	North Inland SELPA	34,399	858	305,038	280	2,618,640	1,152,365	10,766,912	313	1,457,402
51	North Orange County SELPA	35,320	426	151,439	164	6,764,377	2,976,747	8,773,036	248	3,128,187
52	North Region SELPA	23,981	353	125,642	381	0	0	9,142,942	381	125,642
53	North Santa Cruz Co. SELPA	19,806	365	129,796	428	0	0	8,485,423	428	129,796
54	Northeast Orange County SELPA	28,661	890	316,418	289	1,895,389	834,089	9,131,164	319	1,150,507
55	Norwalk-La Mirada/ABC SELPA	41,019	1,028	365,750	328	1,124,712	494,943	13,957,644	340	860,693
56	Oakland Unified SELPA	51,223	314	111,766	419	0	0	21,471,840	419	111,766
57	Orange Unified SELPA	26,339	405	143,850	400	0	0	10,532,008	400	143,850
58	Pajaro Valley Joint Unified SELPA	16,545	119	42,444	414	0	0	6,857,513	414	42,444

New Funding Model for Special Education -- Part III

59	Pasadena Unified SELPA	21,624	65	23,098	323	712,564	313,572	7,291,022	337	336,670
60	Placer-Nevada Counties SELPA	54,848	3,094	1,100,244	304	2,818,645	1,240,379	17,927,105	327	2,340,624
61	Plumas Unified SELPA	3,684	-60	0	211	534,191	235,077	1,010,860	274	235,077
62	Poway Unified SELPA	28,897	1,018	361,998	221	3,882,603	1,708,587	8,102,351	280	2,070,586
63	Puente Hills Serv. Area SELPA	39,415	-245	0	328	1,073,267	472,305	13,415,832	340	472,305
64	Riverside County SELPA	161,208	4,700	1,671,396	333	3,615,143	1,590,888	55,305,436	343	3,262,285
65	Riverside Unified SELPA	33,533	562	199,744	335	679,228	298,903	11,545,026	344	498,647
66	Sacramento City Unified SELPA	47,981	-562	0	354	77,658	34,175	17,019,818	355	34,175
67	Sacramento County SELPA	57,795	1,368	486,410	329	1,515,117	666,746	19,704,991	341	1,153,156
68	San Benito County SELPA	8,618	212	75,275	389	0	0	3,354,120	389	75,275
69	San Bernardino City Unified SELPA	42,087	246	87,569	332	989,969	435,648	14,412,885	342	523,217
70	San Diego City Unified SELPA	124,711	1,481	526,770	368	0	0	45,902,894	368	526,770
71	San Francisco Unified SELPA	60,491	-528	0	541	0	0	32,740,852	541	0
72	San Joaquin County SELPA	42,847	1,600	568,972	244	4,800,974	2,112,728	12,549,371	293	2,681,700
73	San Juan Unified SELPA	45,576	-1,003	0	356	1,965	865	16,207,011	356	865
74	San Luis Obispo County SELPA	33,240	754	268,184	335	672,351	295,876	11,444,344	344	564,060
75	San Mateo County SELPA	86,521	1,196	425,360	386	0	0	33,406,090	386	425,360
76	Santa Ana Unified SELPA	46,782	99	35,317	305	2,348,670	1,033,561	15,321,666	328	1,068,878
77	Santa Barbara County SELPA	57,015	1,413	502,545	381	0	0	21,716,508	381	502,545
78	Santa Clara Area I SELPA	19,407	389	138,345	393	0	0	7,628,092	393	138,345
79	Santa Clara Area II SELPA	27,132	247	87,967	375	0	0	10,177,007	375	87,967
80	Santa Clara Area III SELPA	32,864	392	139,437	570	0	0	18,734,700	570	139,437
81	Santa Clara Area IV SELPA	30,240	150	53,241	361	0	0	10,916,186	361	53,241
82	Santa Clara Area V SELPA	91,104	526	187,208	361	0	0	32,854,076	361	187,208
83	Santa Clara Area VI SELPA	16,775	-104	0	313	708,838	311,933	5,568,767	332	311,933
84	Santa Clara Area VII SELPA	15,394	101	35,879	397	0	0	6,106,522	397	35,879
85	Santa Clarita Valley SELPA	28,888	478	169,989	349	183,335	80,679	10,170,727	352	250,668
86	Shasta County SELPA	29,324	220	78,351	349	191,280	84,175	10,321,167	352	162,527
87	Sierra County SELPA	840	10	3,699	773	0	0	649,801	773	3,699
88	Siskiyou County SELPA	8,530	-106	0	439	0	0	3,748,233	439	0
89	Solano County SELPA	46,390	342	121,546	318	1,755,283	772,434	15,514,439	334	893,979
90	Sonoma County SELPA	64,925	477	169,751	382	0	0	24,788,361	382	169,751
91	South Bay Service Area SELPA	71,048	677	240,680	366	0	0	25,994,932	366	240,680
92	South Orange County SELPA	67,775	3,128	1,112,264	305	3,433,989	1,511,169	22,179,826	327	2,623,434
93	Southwest Service Area SELPA	86,329	1,846	656,310	386	0	0	33,349,540	386	656,310
94	Stanislaus County SELPA	84,862	1,189	422,849	298	4,869,335	2,142,811	27,452,712	323	2,565,660
95	Stockton City Unified	32,434	-199	0	334	705,002	310,245	11,139,517	343	310,245
96	Sutter County SELPA	14,166	332	118,128	346	139,290	61,296	4,959,745	350	179,424
97	Tehama County SELPA	10,699	197	70,065	385	0	0	4,124,149	385	70,065
98	Tri-Cities SELPA	20,519	779	276,876	385	0	0	7,898,525	385	276,876
99	Tri-County SELPA	19,637	-31	0	415	0	0	8,154,718	415	0
100	Tri-Valley SELPA	24,908	708	251,690	275	2,011,277	885,087	7,731,843	310	1,136,777
101	Trinity County SELPA	2,479	-6	0	656	0	0	1,625,910	656	0
102	Tulare County SELPA	78,754	782	278,095	338	1,394,018	613,455	27,226,282	346	891,550
103	Tustin Unified SELPA	12,669	382	135,920	300	705,172	310,320	4,110,430	324	446,240
104	Vallejo City Unified SELPA	18,295	-637	0	297	1,075,028	473,080	5,904,064	323	473,080
105	Ventura County SELPA	128,855	1,717	610,626	315	5,258,965	2,314,272	42,879,512	333	2,924,899
106	Washington Township SELPA	47,997	-157	0	306	2,405,482	1,058,562	15,722,107	328	1,058,562
107	West Contra Costa Unified SELPA	30,596	456	162,130	279	2,349,951	1,034,125	9,564,872	313	1,196,254
108	West End SELPA	100,456	3,078	1,094,540	313	4,310,435	1,896,860	33,311,258	332	2,991,400
109	West Orange County SELPA	42,178	268	95,322	462	0	0	19,473,546	462	95,322
110	West San Gabriel Valley SELPA	94,240	321	114,216	344	1,067,162	469,618	32,916,729	349	583,834

New Funding Model for Special Education -- Part III

111	Whittier Area SELPA	44,546	717	255,101	353	112,912	49,688	15,778,355	354	304,789
112	Yolo County SELPA	23,481	480	170,668	342	316,318	139,200	8,173,345	348	309,868
113	Yuba County SELPA	13,080	-132	0	346	132,423	58,274	4,577,498	350	58,274
	Totals	5,174,938	63,041	25,737,544	345	142,258,558	62,602,633	1,849,890,510	357	88,340,177

Second Year 1995-96

Growth				1.46%	24,789,606					
COLA				2.80%	52,491,043					
Increase in Federal Funds					6,980,000					
Total Available for Equalization					59,471,043					
Statewide Target					366					
		ADA	Dif. ADA	Growth	\$ Per ADA	Amt. Req. For Equal.	Amt. Avail. For Equal.	Total \$	\$ Per ADA	Total Inc. From 93-94
01	Anaheim City School District SELPA	17,366	205	73,389	329	636,799	327,599	6,039,512	348	970,672
02	Antelope Valley SELPA	59,574	1,544	552,039	324	2,479,433	1,275,537	20,575,336	345	4,080,208
03	Bakersfield City SELPA	25,913	396	68,688	341	632,628	325,454	9,166,174	354	631,925
04	Butte County SELPA	33,653	957	342,228	350	518,317	266,647	12,051,289	358	969,122
05	Clovis Unified SELPA	29,403	1,030	368,049	282	2,461,143	1,266,128	9,554,217	325	3,793,158
06	Colusa County SELPA	3,998	48	17,130	349	66,600	34,262	1,429,262	357	95,109
07	Contra Costa SELPA	74,608	1,566	559,932	411	0	0	30,685,547	411	1,262,861
08	Corona-Norco Unified SELPA	27,269	1,053	376,528	327	1,064,007	547,375	9,452,447	347	1,937,896
09	Desert Mountain SELPA	66,626	1,786	638,468	349	1,104,261	568,084	23,821,145	358	2,018,146
10	East County SELPA	75,786	1,331	475,633	334	2,428,447	1,249,307	26,526,922	350	3,218,639
11	East San Gabriel Valley SELPA	126,906	1,323	472,841	348	2,208,398	1,136,104	45,322,362	357	3,054,409
12	East Valley Consortium SELPA	72,022	1,574	562,674	353	924,964	475,845	25,880,888	359	1,726,880
13	El Dorado County SELPA	22,460	279	99,609	331	769,841	396,042	7,837,192	349	1,075,139
14	Elk Grove Unified SELPA	32,587	1,021	365,082	353	425,464	218,879	11,706,663	359	734,981
15	Fontana Unified SELPA	29,763	694	247,978	337	853,769	439,219	10,466,292	352	1,311,783
16	Foothill SELPA	46,590	882	315,322	312	2,509,262	1,290,883	15,814,125	339	3,498,008
17	Fresno County SELPA	61,387	1,617	578,063	322	2,698,469	1,388,220	21,131,784	344	4,012,040
18	Fresno Unified SELPA	73,099	2,048	-354,479	325	2,978,519	1,532,291	25,277,511	346	2,095,721
19	Garden Grove Unified SELPA	42,327	587	210,000	337	1,217,696	626,440	14,882,769	352	1,715,127
20	Glenn County SELPA	6,091	69	24,691	392	0	0	2,386,712	392	51,928
21	Greater Anaheim SELPA	48,381	932	333,045	335	1,462,383	752,319	16,977,199	351	2,327,281
22	Humboldt-Del Norte SELPA	26,109	-118	0	354	292,765	150,612	9,402,849	360	247,989
23	Imperial County SELPA	32,004	506	181,016	279	2,786,733	1,433,627	10,347,007	323	3,720,903
24	Inyo County SELPA	3,370	-17	0	359	21,674	11,150	1,221,490	362	17,949
25	Irvine Unified SELPA	22,078	229	81,700	412	0	0	9,102,375	412	227,965
26	Kern County SELPA	83,630	1,696	606,131	321	3,757,107	1,932,833	28,749,418	344	5,279,366
27	Kern Union High SELPA	23,491	968	346,143	298	1,581,076	813,380	7,820,210	333	2,600,076
28	Kings County SELPA	23,331	465	166,242	319	1,098,035	564,881	7,996,259	343	1,566,432
29	Lake County SELPA	10,040	145	40,137	335	305,319	157,070	3,522,203	351	349,530

New Funding Model for Special Education -- Part III

30	Lake Tahoe-Alpine SELPA	5,706	68	24,322	336	167,335	86,085	2,004,766	351	246,241
31	Lassen County SELPA	5,127	-138	0	575	0	0	2,945,730	575	24,819
32	Lodi Area SELPA	25,120	227	70,547	292	1,847,165	950,269	8,286,544	330	2,268,064
33	Long Beach Unified SELPA	77,075	1,364	487,730	315	3,861,490	1,986,532	26,302,340	341	5,414,919
34	Los Angeles Unified SELPA	610,346	4,603	1,036,788	394	0	0	240,402,788	394	1,036,788
35	Madera-Mariposa Co. SELPA	24,508	744	265,805	346	492,101	253,160	8,720,763	356	836,815
36	Marin County SELPA	27,008	297	106,308	491	0	0	13,253,595	491	246,901
37	Mendocino County SELPA	15,225	-141	-19,622	597	0	0	9,096,885	597	-19,622
38	Merced County Selpa	46,141	1,215	434,256	365	8,079	4,156	16,864,435	365	455,578
39	Mid Cities/Downey-Montebello SELPA	117,565	1,227	438,503	319	5,483,446	2,820,943	40,317,243	343	7,053,749
40	Mid-Alameda County SELPA	42,112	577	98,344	309	2,390,196	1,229,629	14,234,858	338	2,792,984
41	Modoc County SELPA	2,240	-31	0	666	0	0	1,492,699	666	13,012
42	Mono County SELPA	1,811	34	12,154	533	0	0	964,814	533	25,874
43	Monterey County SELPA	58,516	-1,304	0	340	1,505,907	774,710	20,661,248	353	2,033,438
44	Moreno Valley Unified SELPA	32,020	1,131	404,132	345	672,931	346,187	11,379,219	355	1,133,770
45	Morongo Unified SELPA	10,012	290	33,323	407	0	0	4,077,319	407	33,323
46	Mt. Diablo Unified SELPA	34,153	506	181,013	353	427,290	219,818	12,278,279	360	525,481
47	Napa County SELPA	17,975	238	85,193	361	90,873	46,749	6,527,228	363	272,510
48	Newport-Mesa Unified SELPA	17,662	192	68,592	442	0	0	7,807,466	442	187,246
49	North Coastal SELPA	86,687	2,001	715,364	326	3,400,848	1,749,556	30,039,988	347	5,255,398
50	North Inland SELPA	34,932	533	190,500	314	1,813,127	932,758	11,890,170	340	2,580,660
51	North Orange County SELPA	35,635	315	112,625	249	4,141,884	2,130,780	11,016,441	309	5,371,592
52	North Region SELPA	24,306	325	116,114	381	0	0	9,259,056	381	241,756
53	North Santa Cruz Co. SELPA	19,875	69	24,651	428	0	0	8,510,074	428	154,447
54	Northeast Orange County SELPA	28,884	223	79,830	319	1,348,500	693,732	9,904,726	343	1,924,069
55	Norwalk-La Mirada/ABC SELPA	41,311	292	104,364	340	1,040,584	535,326	14,597,334	353	1,500,383
56	Oakland Unified SELPA	51,152	-71	0	420	0	0	21,471,840	420	111,766
57	Orange Unified SELPA	26,458	119	42,711	400	0	0	10,574,719	400	186,561
58	Pajaro Valley Joint Unified SELPA	16,694	149	53,102	414	0	0	6,910,615	414	95,546
59	Pasadena Unified SELPA	21,915	291	104,053	337	616,673	317,246	7,712,321	352	757,969
60	Placer-Nevada Counties SELPA	56,400	1,552	554,763	328	2,137,004	1,099,376	19,581,243	347	3,994,762
61	Plumas Unified SELPA	3,591	-93	-21,577	275	323,524	166,436	1,155,720	322	379,937
62	Poway Unified SELPA	29,609	712	254,659	282	2,467,533	1,269,415	9,626,425	325	3,594,660
63	Puente Hills Serv. Area SELPA	39,607	193	-18,588	338	1,082,396	556,836	13,954,079	352	1,010,552
64	Riverside County SELPA	167,395	6,187	2,211,631	344	3,679,673	1,892,997	59,410,063	355	7,366,912
65	Riverside Unified SELPA	34,517	984	351,584	345	722,213	371,541	12,268,150	355	1,221,771
66	Sacramento City Unified SELPA	48,310	329	-83,291	351	724,780	372,861	17,309,388	358	323,745
67	Sacramento County SELPA	58,471	676	241,654	341	1,429,349	735,324	20,681,970	354	2,130,135
68	San Benito County SELPA	8,777	159	56,992	389	0	0	3,411,112	389	132,267
69	San Bernardino City Unified SELPA	43,037	950	339,594	343	981,109	504,729	15,257,208	355	1,367,540
70	San Diego City Unified SELPA	126,903	2,192	783,523	368	0	0	46,686,417	368	1,310,293
71	San Francisco Unified SELPA	59,624	-867	-188,748	546	0	0	32,552,104	546	-188,748
72	San Joaquin County SELPA	43,432	585	208,981	294	3,119,642	1,604,891	14,363,243	331	4,495,572
73	San Juan Unified SELPA	45,613	37	-345,524	348	813,843	418,679	16,280,166	357	74,020
74	San Luis Obispo County SELPA	33,444	204	73,092	344	709,116	364,803	11,882,239	355	1,001,955
75	San Mateo County SELPA	87,485	964	344,702	386	0	0	33,750,792	386	770,062
76	Santa Ana Unified SELPA	47,398	616	220,292	328	1,785,937	918,770	16,460,728	347	2,207,940
77	Santa Barbara County SELPA	58,440	1,425	509,414	380	0	0	22,225,922	380	1,011,959
78	Santa Clara Area I SELPA	19,521	114	40,612	393	0	0	7,668,705	393	178,958
79	Santa Clara Area II SELPA	27,438	306	109,547	375	0	0	10,286,554	375	197,514
80	Santa Clara Area III SELPA	33,076	212	75,705	569	0	0	18,810,405	569	215,142
81	Santa Clara Area IV SELPA	30,240	0	71	361	138,968	71,492	10,987,749	363	124,804
82	Santa Clara Area V SELPA	91,539	435	155,589	361	455,422	234,290	33,243,956	363	577,088

New Funding Model for Special Education -- Part III

83	Santa Clara Area VI SELPA	16,896	121	5,877	330	602,244	309,823	5,884,466	348	627,632
84	Santa Clara Area VII SELPA	15,414	20	7,242	397	0	0	6,113,764	397	43,121
85	Santa Clarita Valley SELPA	29,402	514	183,661	352	394,478	202,938	10,557,326	359	637,267
86	Shasta County SELPA	29,504	180	64,431	352	400,559	206,066	10,591,664	359	433,024
87	Sierra County SELPA	815	-25	0	797	0	0	649,801	797	3,699
88	Siskiyou County SELPA	8,406	-124	-38,053	441	0	0	3,710,180	441	-38,053
89	Solano County SELPA	46,924	534	191,061	335	1,449,108	745,490	16,450,990	351	1,830,530
90	Sonoma County SELPA	66,186	1,261	450,596	381	0	0	25,238,956	381	620,346
91	South Bay Service Area SELPA	72,508	1,460	522,033	366	0	0	26,516,965	366	762,713
92	South Orange County SELPA	68,518	743	265,462	328	2,603,718	1,339,475	23,784,762	347	4,228,370
93	Southwest Service Area SELPA	87,290	961	343,419	386	0	0	33,692,959	386	999,729
94	Stanislaus County SELPA	86,669	1,807	645,789	324	3,586,197	1,844,909	29,943,410	345	5,056,358
95	Stockton City Unified	33,103	669	168,101	342	794,271	408,611	11,716,228	354	886,956
96	Sutter County SELPA	14,577	411	146,971	350	222,385	114,405	5,221,121	358	440,800
97	Tehama County SELPA	10,808	109	39,104	385	0	0	4,163,253	385	109,169
98	Tri-Cities SELPA	20,948	429	153,473	384	0	0	8,051,998	384	430,349
99	Tri-County SELPA	19,766	129	35,082	414	0	0	8,189,800	414	35,082
100	Tri-Valley SELPA	25,166	258	92,110	311	1,376,305	708,036	8,531,989	339	1,936,923
101	Trinity County SELPA	2,461	-18	-2,263	660	0	0	1,623,647	660	-2,263
102	Tulare County SELPA	80,495	1,741	622,429	346	1,578,879	812,250	28,660,961	356	2,326,229
103	Tustin Unified SELPA	12,882	213	76,277	325	522,731	268,918	4,455,624	346	791,434
104	Vallejo City Unified SELPA	18,436	141	-177,077	311	1,012,898	521,083	6,248,069	339	817,085
105	Ventura County SELPA	129,733	878	313,756	333	4,234,890	2,178,627	45,371,895	350	5,417,282
106	Washington Township SELPA	48,635	638	171,901	327	1,886,113	970,306	16,864,313	347	2,200,768
107	West Contra Costa Unified SELPA	30,765	169	60,427	313	1,621,857	834,360	10,459,659	340	2,091,041
108	West End SELPA	102,970	2,514	898,546	332	3,434,260	1,766,745	35,976,550	349	5,656,692
109	West Orange County SELPA	42,437	259	92,531	461	0	0	19,566,077	461	187,853
110	West San Gabriel Valley SELPA	95,125	885	316,219	349	1,543,119	793,853	34,026,801	358	1,693,906
111	Whittier Area SELPA	44,903	357	127,724	354	509,686	262,207	16,168,286	360	694,720
112	Yolo County SELPA	23,859	378	135,099	348	413,997	212,980	8,521,423	357	657,946
113	Yuba County SELPA	13,167	87	-15,975	346	252,106	129,695	4,691,218	356	171,994
	Totals	5,250,668	75,730	24,789,606	357	115,601,850	59,471,043	1,934,151,159	368	172,600,826

Third Year 1996-97

Growth				3.63%	69,159,190					
COLA				3.40%	68,112,552					
Increase in Federal Funds					7,312,760					
Total Available for Equalization					75,425,312					
Statewide Target					378					
1	Anaheim City School District SELPA	17,710	344	126,717	348	528,375	381,347	6,547,575	370	1,478,735

New Funding Model for Special Education -- Part III

2	Antelope Valley SELPA	62,076	2,502	921,644	346	1,968,533	1,420,758	22,917,738	369	6,422,610
3	Bakersfield City SELPA	26,949	1,036	381,624	354	639,265	461,380	10,009,177	371	1,474,928
4	Butte County SELPA	35,318	1,665	613,324	359	686,038	495,137	13,159,750	373	2,077,583
5	Clovis Unified SELPA	31,253	1,850	681,471	328	1,578,341	1,139,143	11,374,831	364	5,613,772
6	Colusa County SELPA	4,144	146	53,781	358	83,441	60,222	1,543,266	372	209,113
7	Contra Costa SELPA	77,147	2,539	935,273	410	0	0	31,620,820	410	2,198,134
8	Corona-Norco Unified SELPA	28,963	1,694	624,007	348	871,927	629,300	10,705,753	370	3,191,202
9	Desert Mountain SELPA	70,080	3,454	1,272,325	358	1,397,656	1,008,737	26,102,207	372	4,299,208
10	East County SELPA	78,920	3,134	1,154,449	351	2,151,388	1,552,730	29,234,101	370	5,925,818
11	East San Gabriel Valley SELPA	131,082	4,176	1,538,283	357	2,690,009	1,941,472	48,802,117	372	6,534,164
12	East Valley Consortium SELPA	75,352	3,330	1,226,648	360	1,376,473	993,448	28,100,984	373	3,946,976
13	El Dorado County SELPA	23,048	588	216,597	349	658,646	475,368	8,529,157	370	1,767,104
14	Elk Grove Unified SELPA	34,113	1,526	562,122	360	626,361	452,066	12,720,851	373	1,749,169
15	Fontana Unified SELPA	31,183	1,420	523,075	352	798,201	576,089	11,565,456	371	2,410,947
16	Foothill SELPA	48,678	2,088	769,142	341	1,817,633	1,311,848	17,895,115	368	5,578,998
17	Fresno County SELPA	64,288	2,901	1,068,621	345	2,101,273	1,516,561	23,716,965	369	6,597,221
18	Fresno Unified SELPA	77,041	3,942	1,452,086	347	2,392,875	1,727,020	28,456,618	369	5,274,828
19	Garden Grove Unified SELPA	43,680	1,353	498,395	352	1,130,429	815,869	16,197,033	371	3,029,391
20	Glenn County SELPA	6,278	187	68,884	391	0	0	2,455,596	391	120,812
21	Greater Anaheim SELPA	50,728	2,347	864,548	352	1,334,079	962,851	18,804,597	371	4,154,679
22	Humboldt-Del Norte SELPA	26,515	406	106,074	359	514,082	371,031	9,879,954	373	725,094
23	Imperial County SELPA	33,413	1,409	519,023	325	1,764,507	1,273,505	12,139,535	363	5,513,431
24	Inyo County SELPA	3,418	48	11,335	361	59,222	42,743	1,275,568	373	72,027
25	Irvine Unified SELPA	22,764	686	252,697	411	0	0	9,355,072	411	480,662
26	Kern County SELPA	87,058	3,428	1,262,748	345	2,896,859	2,090,763	32,102,929	369	8,632,877
27	Kern Union High SELPA	24,858	1,367	503,552	335	1,072,876	774,332	9,098,094	366	3,877,960
28	Kings County SELPA	24,327	996	366,889	344	832,765	601,035	8,964,184	368	2,534,357
29	Lake County SELPA	10,446	406	149,555	351	276,961	199,893	3,871,651	371	698,978
30	Lake Tahoe-Alpine SELPA	5,843	137	50,466	352	153,497	110,784	2,166,015	371	407,490
31	Lassen County SELPA	5,140	13	(46,056)	564	0	0	2,899,674	564	(21,237)
32	Lodi Area SELPA	25,879	759	279,587	331	1,216,458	877,959	9,444,091	365	3,425,611
33	Long Beach Unified SELPA	80,046	2,971	1,094,406	342	2,861,655	2,065,355	29,462,101	368	8,574,680
34	Los Angeles Unified SELPA	627,694	17,348	6,390,359	393	0	0	246,793,147	393	7,427,147
35	Madera-Mariposa Co. SELPA	25,761	1,253	461,559	356	555,662	401,041	9,583,362	372	1,699,414
36	Marin County SELPA	27,777	769	283,271	487	0	0	13,536,866	487	530,172
37	Mendocino County SELPA	15,405	180	14,230	591	0	0	9,111,115	591	(5,392)
38	Merced County Selpa	48,146	2,005	738,568	366	596,795	430,727	18,033,730	375	1,624,873
39	Mid Cities/Downey-Montebello SELPA	121,618	4,053	1,492,975	344	4,162,925	3,004,526	44,814,744	368	11,551,250
40	Mid-Alameda County SELPA	43,472	1,360	500,974	339	1,697,134	1,224,880	15,960,712	367	4,518,838
41	Modoc County SELPA	2,188	(52)	(11,563)	677	0	0	1,481,136	677	1,449
42	Mono County SELPA	1,873	62	22,838	527	0	0	987,653	527	48,713
43	Monterey County SELPA	59,467	951	(130,014)	345	1,948,044	1,405,971	21,937,205	369	3,309,395
44	Moreno Valley Unified SELPA	34,029	2,009	740,041	356	744,133	537,066	12,656,326	372	2,410,877
45	Morongo Unified SELPA	10,592	580	213,650	405	0	0	4,290,970	405	246,974
46	Mt. Diablo Unified SELPA	35,112	959	353,260	360	641,242	462,806	13,094,345	373	1,341,547
47	Napa County SELPA	18,522	547	201,494	363	272,828	196,909	6,925,632	374	670,914
48	Newport-Mesa Unified SELPA	18,095	433	159,501	440	0	0	7,966,967	440	346,747
49	North Coastal SELPA	90,588	3,901	1,436,984	347	2,766,438	1,996,634	33,473,605	370	8,689,015
50	North Inland SELPA	36,457	1,525	561,753	342	1,329,283	959,390	13,411,313	368	4,101,803
51	North Orange County SELPA	36,755	1,120	412,566	311	2,464,848	1,778,965	13,207,973	359	7,563,124
52	North Region SELPA	25,117	811	298,742	381	0	0	9,557,798	381	540,498
53	North Santa Cruz Co. SELPA	20,415	540	198,916	427	0	0	8,708,990	427	353,363
54	Northeast Orange County SELPA	29,637	753	277,377	344	1,021,057	736,932	10,919,036	368	2,938,379

New Funding Model for Special Education -- Part III

55	Norwalk-La Mirada/ABC SELPA	42,690	1,379	507,972	354	1,032,054	744,869	15,850,175	371	2,753,224
56	Oakland Unified SELPA	52,004	852	287,618	418	0	0	21,759,458	418	399,384
57	Orange Unified SELPA	27,167	709	261,169	399	0	0	10,835,888	399	447,730
58	Pajaro Valley Joint Unified SELPA	17,264	570	209,967	412	0	0	7,120,582	412	305,513
59	Pasadena Unified SELPA	22,614	699	257,486	352	578,572	417,575	8,387,381	371	1,433,029
60	Placer-Nevada Counties SELPA	58,948	2,548	938,589	348	1,763,258	1,272,604	21,792,436	370	6,205,955
61	Plumas Unified SELPA	3,521	(70)	(34,103)	319	209,366	151,107	1,272,723	361	496,940
62	Poway Unified SELPA	31,021	1,412	520,128	327	1,579,777	1,140,180	11,286,733	364	5,254,968
63	Puente Hills Serv. Area SELPA	40,922	1,315	484,397	353	1,030,558	743,789	15,182,265	371	2,238,738
64	Riverside County SELPA	177,693	10,298	3,793,401	356	3,966,738	2,862,931	66,066,395	372	14,023,244
65	Riverside Unified SELPA	36,363	1,846	679,998	356	797,526	575,602	13,523,750	372	2,477,371
66	Sacramento City Unified SELPA	49,880	1,570	578,330	359	967,554	698,317	18,586,034	373	1,600,391
67	Sacramento County SELPA	60,363	1,892	696,943	354	1,439,066	1,038,623	22,417,535	371	3,865,700
68	San Benito County SELPA	9,167	390	143,662	388	0	0	3,554,773	388	275,928
69	San Bernardino City Unified SELPA	45,036	1,999	736,357	355	1,030,612	743,828	16,737,394	372	2,847,726
70	San Diego City Unified SELPA	132,162	5,259	1,937,220	368	1,335,271	963,711	49,587,348	375	4,211,224
71	San Francisco Unified SELPA	60,226	602	(97,660)	539	0	0	32,454,443	539	(286,409)
72	San Joaquin County SELPA	44,743	1,311	482,924	332	2,067,254	1,492,008	16,338,175	365	6,470,504
73	San Juan Unified SELPA	46,693	1,080	397,832	357	972,547	701,921	17,379,918	372	1,173,772
74	San Luis Obispo County SELPA	34,037	593	218,439	356	765,738	552,660	12,653,338	372	1,773,054
75	San Mateo County SELPA	90,380	2,895	1,066,411	385	0	0	34,817,203	385	1,836,473
76	Santa Ana Unified SELPA	48,997	1,599	589,012	348	1,471,745	1,062,209	18,111,950	370	3,859,162
77	Santa Barbara County SELPA	61,041	2,601	958,112	380	0	0	23,184,034	380	1,970,071
78	Santa Clara Area I SELPA	19,978	457	168,342	392	0	0	7,837,046	392	347,299
79	Santa Clara Area II SELPA	28,364	926	341,104	375	94,292	68,054	10,695,713	377	606,673
80	Santa Clara Area III SELPA	33,951	875	322,318	564	0	0	19,132,723	564	537,460
81	Santa Clara Area IV SELPA	30,966	726	267,431	363	450,360	325,040	11,580,220	374	717,275
82	Santa Clara Area V SELPA	94,115	2,576	948,903	363	1,383,802	998,738	35,191,596	374	2,524,728
83	Santa Clara Area VI SELPA	17,416	520	191,549	349	507,453	366,247	6,442,262	370	1,185,428
84	Santa Clara Area VII SELPA	15,706	292	107,562	396	0	0	6,221,326	396	150,683
85	Santa Clarita Valley SELPA	30,424	1,022	376,467	359	566,864	409,125	11,342,918	373	1,422,859
86	Shasta County SELPA	30,371	867	319,371	359	569,588	411,091	11,322,125	373	1,163,485
87	Sierra County SELPA	795	(20)	(9,301)	806	0	0	640,499	806	(5,603)
88	Siskiyou County SELPA	8,285	(121)	(45,670)	442	0	0	3,664,511	442	(83,722)
89	Solano County SELPA	48,687	1,763	649,424	351	1,303,888	941,061	18,041,475	371	3,421,015
90	Sonoma County SELPA	68,673	2,487	916,118	381	0	0	26,155,075	381	1,536,465
91	South Bay Service Area SELPA	75,323	2,815	1,036,941	366	919,140	663,375	28,217,282	375	2,463,030
92	South Orange County SELPA	70,820	2,302	847,971	348	2,138,122	1,543,157	26,175,890	370	6,619,498
93	Southwest Service Area SELPA	90,080	2,790	1,027,732	385	0	0	34,720,691	385	2,027,461
94	Stanislaus County SELPA	90,304	3,635	1,338,999	346	2,853,645	2,059,574	33,341,983	369	8,454,931
95	Stockton City Unified	34,340	1,237	455,665	354	809,062	583,928	12,755,820	371	1,926,548
96	Sutter County SELPA	15,339	762	280,693	359	296,522	214,010	5,715,824	373	935,503
97	Tehama County SELPA	11,148	340	125,243	385	0	0	4,288,496	385	234,412
98	Tri-Cities SELPA	21,738	790	291,007	384	0	0	8,343,004	384	721,355
99	Tri-County SELPA	20,358	592	218,071	413	0	0	8,407,871	413	253,153
100	Tri-Valley SELPA	25,867	701	258,222	340	987,842	712,959	9,503,171	367	2,908,105
101	Trinity County SELPA	2,499	38	7,216	653	0	0	1,630,863	653	4,953
102	Tulare County SELPA	84,127	3,632	1,337,894	357	1,802,215	1,300,721	31,299,576	372	4,964,844
103	Tustin Unified SELPA	13,259	377	138,873	347	417,572	301,376	4,895,874	369	1,231,684
104	Vallejo City Unified SELPA	19,033	597	219,913	340	726,733	524,508	6,992,490	367	1,561,506
105	Ventura County SELPA	133,513	3,780	1,392,412	350	3,705,296	2,674,240	49,438,547	370	9,483,934
106	Washington Township SELPA	50,098	1,463	538,915	347	1,534,450	1,107,465	18,510,693	369	3,847,148

New Funding Model for Special Education -- Part III

107	West Contra Costa Unified SELPA	31,596	831	306,110	341	1,177,919	850,145	11,615,913	368	3,247,295
108	West End SELPA	108,050	5,080	1,871,283	350	2,996,434	2,162,629	40,010,463	370	9,690,605
109	West Orange County SELPA	43,666	1,229	452,718	458	0	0	20,018,795	458	640,571
110	West San Gabriel Valley SELPA	98,438	3,313	1,220,386	358	1,963,622	1,417,214	36,664,401	372	4,331,506
111	Whittier Area SELPA	46,156	1,253	461,559	360	817,707	590,167	17,220,012	373	1,746,446
112	Yolo County SELPA	24,698	839	309,056	358	505,677	364,964	9,195,444	372	1,331,967
113	Yuba County SELPA	13,530	363	133,716	357	289,577	208,998	5,033,932	372	514,708
	Totals	5,441,101	190,433	69,159,190	368	104,505,634	75,425,312	2,078,735,661	382	317,185,328

Fourth Year 1997-98

Growth				2.41%	50,272,683					
COLA				3.40%	72,386,284					
Increase in Federal Funds					7,605,270					
Total Available for Equalization					79,991,554					
Statewide Target					391					
		ADA	Dif. ADA	Growth	\$ Per ADA	Amt. Req. For Equal.	Amt. Avail. For Equal.	Total \$	\$ Per ADA	Total Inc. From 93-94
1	Anaheim City School District SELPA	17,615	(95)	0	372	337,513	323,740	6,871,315	390	1,802,475
2	Antelope Valley SELPA	63,797	1,721	657,496	370	1,360,785	1,305,255	24,880,490	390	8,385,362
3	Bakersfield City SELPA	27,806	857	327,411	372	531,806	510,105	10,846,693	390	2,312,444
4	Butte County SELPA	36,455	1,137	434,383	373	654,853	628,131	14,222,264	390	3,140,097
5	Clovis Unified SELPA	32,546	1,293	493,982	365	852,282	817,503	12,686,316	390	6,925,257
6	Colusa County SELPA	4,240	96	36,676	373	77,326	74,171	1,654,112	390	319,959
7	Contra Costa SELPA	78,953	1,806	689,970	409	0	0	32,310,790	409	2,888,104
8	Corona-Norco Unified SELPA	30,456	1,493	570,391	370	628,043	602,415	11,878,558	390	4,364,007
9	Desert Mountain SELPA	72,968	2,888	1,103,341	373	1,315,096	1,261,430	28,466,978	390	6,663,979
10	East County SELPA	81,004	2,084	796,178	371	1,631,356	1,564,785	31,595,064	390	8,286,781
11	East San Gabriel Valley SELPA	133,975	2,893	1,105,251	373	2,458,781	2,358,445	52,265,814	390	9,997,861
12	East Valley Consortium SELPA	78,171	2,819	1,076,980	373	1,376,350	1,320,185	30,498,149	390	6,344,141
13	El Dorado County SELPA	23,543	495	189,111	370	483,868	464,123	9,182,391	390	2,420,338
14	Elk Grove Unified SELPA	34,893	780	297,994	373	619,611	594,326	13,613,171	390	2,641,489
15	Fontana Unified SELPA	32,333	1,150	439,350	371	633,034	607,202	12,612,008	390	3,457,499
16	Foothill SELPA	50,087	1,409	538,299	368	1,143,845	1,097,168	19,530,582	390	7,214,465
17	Fresno County SELPA	66,592	2,304	880,228	369	1,431,294	1,372,888	25,970,081	390	8,850,337
18	Fresno Unified SELPA	79,961	2,920	1,115,566	370	1,681,779	1,613,150	31,185,334	390	8,003,544
19	Garden Grove Unified SELPA	44,118	438	167,335	371	879,818	843,915	17,208,283	390	4,040,641
20	Glenn County SELPA	6,459	181	69,150	391	0	0	2,524,746	391	189,962
21	Greater Anaheim SELPA	51,199	471	179,942	371	1,027,361	985,438	19,969,978	390	5,320,060
22	Humboldt-Del Norte SELPA	26,565	50	19,102	373	484,275	464,513	10,363,569	390	1,208,709
23	Imperial County SELPA	34,405	992	378,987	364	929,191	891,274	13,409,796	390	6,783,692
24	Inyo County SELPA	3,422	4	1,528	373	60,444	57,978	1,335,074	390	131,533
25	Irvine Unified SELPA	23,160	396	151,289	410	0	0	9,506,361	410	631,951

New Funding Model for Special Education -- Part III

26	Kern County SELPA	89,701	2,643	1,009,740	369	1,948,319	1,868,814	34,981,483	390	11,511,431
27	Kern Union High SELPA	25,820	962	367,526	367	626,517	600,951	10,066,570	390	4,846,436
28	Kings County SELPA	24,984	657	251,002	369	550,187	527,735	9,742,922	390	3,313,095
29	Lake County SELPA	10,729	283	108,118	371	213,822	205,096	4,184,866	390	1,012,193
30	Lake Tahoe-Alpine SELPA	5,940	97	37,058	371	118,665	113,823	2,316,896	390	558,371
31	Lassen County SELPA	5,089	(51)	0	570	0	0	2,899,674	570	(21,237)
32	Lodi Area SELPA	26,321	442	168,863	365	675,006	647,461	10,260,415	390	4,241,935
33	Long Beach Unified SELPA	82,026	1,980	756,446	368	1,842,553	1,767,364	31,985,910	390	11,098,489
34	Los Angeles Unified SELPA	639,143	11,449	4,374,013	393	0	0	251,167,159	393	11,801,159
35	Madera-Mariposa Co. SELPA	26,809	1,048	400,381	372	494,958	474,761	10,458,504	390	2,574,556
36	Marin County SELPA	28,235	458	174,976	486	0	0	13,711,842	486	705,148
37	Mendocino County SELPA	15,445	40	15,282	591	0	0	9,126,397	591	9,890
38	Merced County Selpa	49,581	1,435	548,232	375	797,520	764,975	19,346,937	390	2,938,080
39	Mid Cities/Downey-Montebello SELPA	124,463	2,845	1,086,913	369	2,746,584	2,634,504	48,536,161	390	15,272,667
40	Mid-Alameda County SELPA	44,336	864	330,085	367	1,038,597	996,215	17,287,012	390	5,845,138
41	Modoc County SELPA	2,135	(53)	(19,866)	684	0	0	1,461,270	684	(18,417)
42	Mono County SELPA	1,909	36	13,754	525	0	0	1,001,406	525	62,466
43	Monterey County SELPA	60,274	807	308,309	369	1,313,488	1,259,889	23,505,402	390	4,877,592
44	Moreno Valley Unified SELPA	35,937	1,908	728,938	372	661,254	634,270	14,019,535	390	3,774,086
45	Morongo Unified SELPA	11,131	539	205,921	404	0	0	4,496,891	404	452,895
46	Mt. Diablo Unified SELPA	35,707	595	227,316	373	634,959	609,048	13,930,709	390	2,177,911
47	Napa County SELPA	18,902	380	145,176	374	317,324	304,375	7,375,183	390	1,120,465
48	Newport-Mesa Unified SELPA	18,223	128	48,902	440	0	0	8,015,869	440	395,649
49	North Coastal SELPA	93,078	2,490	951,288	370	1,956,047	1,876,227	36,301,120	390	11,516,530
50	North Inland SELPA	37,524	1,067	407,640	368	847,868	813,269	14,632,222	390	5,322,712
51	North Orange County SELPA	37,134	379	144,794	360	1,161,617	1,114,215	14,466,982	390	8,822,133
52	North Region SELPA	25,623	506	193,314	381	264,024	253,250	10,004,362	390	987,062
53	North Santa Cruz Co. SELPA	20,844	429	163,897	426	0	0	8,872,887	426	517,260
54	Northeast Orange County SELPA	30,022	385	147,087	369	668,429	641,152	11,707,275	390	3,726,618
55	Norwalk-La Mirada/ABC SELPA	43,541	851	325,119	371	843,363	808,948	16,984,241	390	3,887,290
56	Oakland Unified SELPA	52,353	349	133,333	418	0	0	21,892,791	418	532,717
57	Orange Unified SELPA	27,385	218	83,285	399	0	0	10,919,174	399	531,016
58	Pajaro Valley Joint Unified SELPA	17,587	323	123,400	412	0	0	7,243,982	412	428,913
59	Pasadena Unified SELPA	23,221	607	231,900	371	456,996	438,348	9,057,629	390	2,103,277
60	Placer-Nevada Counties SELPA	61,004	2,056	785,481	370	1,266,417	1,214,738	23,792,655	390	8,206,174
61	Plumas Unified SELPA	3,485	(36)	(26,743)	358	116,185	111,443	1,357,424	390	581,641
62	Poway Unified SELPA	32,043	1,022	390,448	364	847,309	812,733	12,489,914	390	6,458,149
63	Puente Hills Serv. Area SELPA	41,938	1,016	388,156	371	821,679	788,149	16,358,569	390	3,415,042
64	Riverside County SELPA	186,949	9,256	3,536,192	372	3,469,249	3,327,679	72,930,266	390	20,887,115
65	Riverside Unified SELPA	38,087	1,724	658,642	372	704,486	675,738	14,858,130	390	3,811,751
66	Sacramento City Unified SELPA	51,064	1,184	452,339	373	920,761	883,188	19,921,561	390	2,935,918
67	Sacramento County SELPA	61,598	1,235	471,823	372	1,187,149	1,138,705	24,028,063	390	5,476,228
68	San Benito County SELPA	9,452	285	108,882	388	30,801	29,544	3,693,200	391	414,355
69	San Bernardino City Unified SELPA	46,715	1,679	641,451	372	880,418	844,491	18,223,335	390	4,333,667
70	San Diego City Unified SELPA	136,004	3,842	1,467,810	375	2,104,056	2,018,196	53,073,354	390	7,697,230
71	San Francisco Unified SELPA	60,137	(89)	0	540	0	0	32,454,443	540	(286,409)
72	San Joaquin County SELPA	45,484	741	283,094	365	1,156,839	1,109,632	17,730,900	390	7,863,229
73	San Juan Unified SELPA	47,382	689	263,228	372	876,823	841,043	18,484,189	390	2,278,043
74	San Luis Obispo County SELPA	34,381	344	131,423	372	653,572	626,901	13,411,662	390	2,531,378
75	San Mateo County SELPA	92,192	1,812	692,262	385	525,169	503,738	36,013,203	391	3,032,473
76	Santa Ana Unified SELPA	49,543	546	208,596	370	1,044,083	1,001,477	19,322,023	390	5,069,235
77	Santa Barbara County SELPA	62,878	1,837	701,813	380	690,967	662,771	24,548,618	390	3,334,655
78	Santa Clara Area SELPA	20,150	172	65,711	392	0	0	7,902,758	392	413,011

New Funding Model for Special Education -- Part III

79	Santa Clara Area II SELPA	29,031	667	254,823	377	396,669	380,482	11,331,017	390	1,241,977
80	Santa Clara Area III SELPA	34,396	445	170,009	561	0	0	19,302,732	561	707,469
81	Santa Clara Area IV SELPA	31,259	293	111,939	374	525,893	504,433	12,196,591	390	1,333,646
82	Santa Clara Area V SELPA	95,579	1,464	559,311	374	1,607,586	1,541,985	37,292,893	390	4,626,025
83	Santa Clara Area VI SELPA	17,802	386	147,469	370	368,450	353,415	6,943,145	390	1,686,311
84	Santa Clara Area VII SELPA	15,816	110	42,025	396	0	0	6,263,351	396	192,708
85	Santa Clarita Valley SELPA	31,001	577	220,439	373	553,851	531,250	12,094,607	390	2,174,548
86	Shasta County SELPA	30,957	586	223,877	373	554,008	531,400	12,077,403	390	1,918,763
87	Sierra County SELPA	757	(38)	(7,641)	836	0	0	632,858	836	(13,244)
88	Siskiyou County SELPA	8,203	(82)	(46,227)	441	0	0	3,618,283	441	(129,950)
89	Solano County SELPA	50,073	1,386	529,512	371	1,000,801	959,961	19,530,947	390	4,910,487
90	Sonoma County SELPA	70,352	1,679	641,451	381	701,615	672,984	27,469,509	390	2,850,899
91	South Bay Service Area SELPA	77,395	2,072	791,594	375	1,242,128	1,191,440	30,200,315	390	4,446,063
92	South Orange County SELPA	71,486	666	254,441	370	1,511,050	1,449,389	27,879,720	390	8,323,328
93	Southwest Service Area SELPA	91,907	1,827	697,993	385	504,553	483,963	35,902,648	391	3,209,418
94	Stanislaus County SELPA	93,242	2,938	1,122,443	370	1,980,616	1,899,793	36,364,219	390	11,477,167
95	Stockton City Unified	35,253	913	348,805	372	674,541	647,015	13,751,641	390	2,922,369
96	Sutter County SELPA	15,927	588	224,641	373	284,843	273,219	6,213,685	390	1,433,364
97	Tehama County SELPA	11,368	220	84,050	385	70,808	67,919	4,440,465	391	386,381
98	Tri-Cities SELPA	22,302	564	215,472	384	158,596	152,124	8,710,601	391	1,088,952
99	Tri-County SELPA	20,767	409	156,256	412	0	0	8,564,127	412	409,409
100	Tri-Valley SELPA	26,299	432	165,043	368	611,147	586,208	10,254,422	390	3,659,356
101	Trinity County SELPA	2,489	(10)	0	655	0	0	1,630,863	655	4,953
102	Tulare County SELPA	86,828	2,701	1,031,899	372	1,606,559	1,541,000	33,872,474	390	7,537,742
103	Tustin Unified SELPA	13,305	46	17,574	369	287,012	275,300	5,188,748	390	1,524,558
104	Vallejo City Unified SELPA	19,472	439	167,717	368	450,718	432,325	7,592,532	390	2,161,548
105	Ventura County SELPA	136,180	2,667	1,018,909	371	2,770,551	2,657,493	53,114,949	390	13,160,336
106	Washington Township SELPA	50,970	872	333,142	370	1,078,558	1,034,545	19,878,380	390	5,214,835
107	West Contra Costa Unified SELPA	32,184	588	224,641	368	739,047	708,889	12,549,443	390	4,180,825
108	West End SELPA	112,440	4,390	1,677,170	371	2,261,238	2,168,963	43,856,595	390	13,536,737
109	West Orange County SELPA	44,185	519	198,280	458	0	0	20,217,076	458	838,852
110	West San Gabriel Valley SELPA	100,679	2,241	856,159	373	1,831,346	1,756,614	39,277,174	390	6,944,279
111	Whittier Area SELPA	47,155	999	381,661	373	829,570	795,717	18,397,391	390	2,923,825
112	Yolo County SELPA	25,332	634	242,215	373	463,735	444,811	9,882,471	390	2,018,994
113	Yuba County SELPA	13,747	217	82,903	372	256,387	245,925	5,362,760	390	843,536
	Totals	5,572,499	131,398	50,272,683	382	83,394,645	79,991,554	2,208,999,899	396	447,449,566

Fifth Year 1998-99

Growth	5.07%	111,712,980				Additional Funding	15,251,474		
COLA	3.60%	83,545,664				New Target	407,7582		
Increase in Federal Funds		7,909,481							
Total Available for Equalization		91,455,145							
Statewide Target		405							

New Funding Model for Special Education -- Part III

		ADA	Dif.ADA	Growth	\$ Per ADA	Amt. Req. For Equal.	\$ Per ADA	Additional Distribution	Total \$	\$ Per ADA	Total Inc. From 93-94
1	Anaheim City School District SELPA	17,820	205	43,605	388	301,043	405	50,288	7,266,252	408	2,197,412
2	Antelope Valley SELPA	66,960	3,163	1,253,848	390	980,192	405	188,963	27,303,492	408	10,808,364
3	Bakersfield City SELPA	29,600	1,794	711,161	390	428,258	405	83,532	12,069,644	408	3,535,395
4	Butte County SELPA	37,927	1,472	583,517	390	552,235	405	107,031	15,465,047	408	4,382,880
5	Clovis Unified SELPA	34,681	2,135	846,337	390	510,940	405	97,871	14,141,464	408	8,380,405
6	Colusa County SELPA	4,433	193	76,507	390	64,462	405	12,510	1,807,592	408	473,439
7	Contra Costa SELPA	82,611	3,658	1,450,071	409	0	409	0	33,760,862	409	4,338,176
8	Corona-Norco Unified SELPA	32,954	2,498	990,235	391	475,475	405	92,997	13,437,265	408	5,922,714
9	Desert Mountain SELPA	78,289	5,321	2,109,303	391	1,125,771	405	220,933	31,922,985	408	10,119,986
10	East County SELPA	85,265	4,261	1,689,107	390	1,242,716	405	240,620	34,767,507	408	11,459,224
11	East San Gabriel Valley SELPA	140,691	6,716	2,662,296	390	2,042,772	405	397,033	57,367,915	408	15,099,962
12	East Valley Consortium SELPA	83,444	5,273	2,090,275	391	1,201,074	405	235,481	34,024,979	408	9,870,971
13	El Dorado County SELPA	24,703	1,160	459,837	390	360,911	405	69,712	10,072,852	408	3,310,799
14	Elk Grove Unified SELPA	36,633	1,740	689,755	390	531,103	405	103,379	14,937,408	408	3,965,726
15	Fontana Unified SELPA	34,525	2,192	868,933	390	499,482	405	97,430	14,077,853	408	4,923,344
16	Foothill SELPA	52,818	2,731	1,082,598	390	774,741	405	149,054	21,536,975	408	9,220,858
17	Fresno County SELPA	70,743	4,151	1,645,502	390	1,030,821	405	199,638	28,846,042	408	11,726,298
18	Fresno Unified SELPA	85,211	5,250	2,081,158	390	1,238,529	405	240,467	34,745,488	408	11,563,698
19	Garden Grove Unified SELPA	45,499	1,381	547,444	390	668,467	405	128,399	18,552,592	408	5,384,950
20	Glenn County SELPA	6,777	318	126,059	391	93,449	405	19,125	2,763,378	408	428,594
21	Greater Anaheim SELPA	52,846	1,647	652,889	390	776,393	405	149,133	21,548,392	408	6,898,474
22	Humboldt-Del Norte SELPA	27,342	777	308,011	390	400,186	405	77,160	11,148,926	408	1,994,066
23	Imperial County SELPA	36,276	1,871	741,685	390	537,986	405	102,372	14,791,838	408	8,165,734
24	Inyo County SELPA	3,534	112	44,398	390	51,573	405	9,973	1,441,018	408	237,477
25	Irvine Unified SELPA	24,072	912	361,527	410	0	410	0	9,867,888	410	993,478
26	Kern County SELPA	94,946	5,245	2,079,176	390	1,386,416	405	267,940	38,715,014	408	15,244,962
27	Kern Union High SELPA	27,066	1,246	493,928	390	399,506	405	76,381	11,036,385	408	5,816,251
28	Kings County SELPA	26,235	1,251	495,910	390	384,670	405	74,036	10,697,538	408	4,267,711
29	Lake County SELPA	11,319	590	233,882	390	164,725	405	31,942	4,615,416	408	1,442,743
30	Lake Tahoe-Alpine SELPA	6,231	291	115,356	390	90,906	405	17,584	2,540,742	408	782,217
31	Lassen County SELPA	5,157	68	6,739	564	0	564	0	2,906,413	564	(14,498)
32	Lodi Area SELPA	27,498	1,177	466,576	390	407,946	405	77,600	11,212,536	408	5,194,056
33	Long Beach Unified SELPA	86,263	4,237	1,679,593	390	1,265,510	405	243,436	35,174,450	408	14,287,029
34	Los Angeles Unified SELPA	668,910	29,767	11,799,966	393	7,898,764	405	1,887,678	272,753,568	408	33,387,568
35	Madera-Mariposa Co. SELPA	28,683	1,874	742,874	391	413,407	405	80,944	11,695,730	408	3,811,782
36	Marin County SELPA	29,279	1,044	413,853	482	0	482	0	14,125,695	482	1,119,001
37	Mendocino County SELPA	15,835	390	154,600	586	0	586	0	9,280,997	586	164,490
38	Merced County Selpa	52,209	2,628	1,041,768	391	752,610	405	147,335	21,288,650	408	4,879,793
39	Mid Cities/Downey-Montebello SELPA	130,832	6,369	2,524,742	390	1,917,714	405	369,211	53,347,827	408	20,084,333
40	Mid-Alameda County SELPA	46,290	1,954	774,587	390	682,899	405	130,631	18,875,129	408	7,433,255
41	Modoc County SELPA	2,156	21	(12,685)	672	0	672	0	1,448,585	672	(31,102)
42	Mono County SELPA	1,976	67	26,560	520	0	520	0	1,027,966	520	89,026
43	Monterey County SELPA	63,119	2,845	1,127,789	390	925,978	405	178,123	25,737,293	408	7,109,483
44	Moreno Valley Unified SELPA	39,269	3,332	1,320,841	391	561,065	405	110,818	16,012,259	408	5,766,810
45	Morongo Unified SELPA	12,079	948	375,798	403	18,536	405	34,087	4,925,312	408	881,316
46	Mt. Diablo Unified SELPA	37,414	1,707	676,674	390	542,902	405	105,583	15,255,867	408	3,503,069
47	Napa County SELPA	19,740	838	332,192	390	286,066	405	55,707	8,049,148	408	1,794,430

New Funding Model for Special Education -- Part III

48	Newport-Mesa Unified SELPA	18,764	541	214,458	439	0	439	0	8,230,327	439	610,107
49	North Coastal SELPA	97,869	4,791	1,899,205	390	1,430,379	405	276,188	39,906,892	408	15,122,302
50	North Inland SELPA	39,562	2,038	807,886	390	579,979	405	111,645	16,131,732	408	6,822,222
51	North Orange County SELPA	38,308	1,174	465,387	390	579,929	405	108,106	15,620,403	408	9,975,554
52	North Region SELPA	26,711	1,088	431,295	391	380,594	405	75,379	10,891,631	408	1,874,331
53	North Santa Cruz Co. SELPA	21,679	835	331,003	425	0	425	0	9,203,890	425	848,263
54	Northeast Orange County SELPA	31,166	1,144	453,494	390	459,473	405	87,951	12,708,193	408	4,727,536
55	Norwalk-La Mirada/ABC SELPA	45,694	2,153	853,473	390	665,442	405	128,949	18,632,105	408	5,535,154
56	Oakland Unified SELPA	54,008	1,655	656,060	418	0	418	0	22,548,851	418	1,188,777
57	Orange Unified SELPA	28,236	851	337,346	399	177,260	405	79,683	11,513,462	408	1,125,304
58	Pajaro Valley Joint Unified SELPA	18,322	735	291,362	411	0	411	0	7,535,344	411	720,275
59	Pasadena Unified SELPA	24,436	1,215	481,639	390	355,753	405	68,959	9,963,980	408	3,009,628
60	Placer-Nevada Counties SELPA	64,824	3,820	1,514,290	390	942,641	405	182,935	26,432,521	408	10,846,040
61	Plumas Unified SELPA	3,544	59	9,117	386	68,553	405	10,001	1,445,095	408	669,312
62	Poway Unified SELPA	33,909	1,866	739,703	390	501,366	405	95,692	13,826,674	408	7,794,909
63	Puente Hills Serv. Area SELPA	44,155	2,217	878,843	390	642,546	405	124,606	18,004,565	408	5,061,038
64	Riverside County SELPA	202,212	15,263	6,050,421	391	2,902,276	405	570,647	82,453,610	408	30,410,459
65	Riverside Unified SELPA	41,192	3,105	1,230,856	391	591,146	405	116,245	16,796,378	408	5,749,999
66	Sacramento City Unified SELPA	53,803	2,739	1,085,770	390	779,453	405	151,833	21,938,617	408	4,952,974
67	Sacramento County SELPA	64,425	2,827	1,120,654	390	939,299	405	181,809	26,269,825	408	7,717,990
68	San Benito County SELPA	9,975	523	207,323	391	138,716	405	28,150	4,067,389	408	788,544
69	San Bernardino City Unified SELPA	49,938	3,223	1,277,633	391	720,738	405	140,926	20,362,631	408	6,472,963
70	San Diego City Unified SELPA	143,367	7,363	2,918,774	391	2,062,363	405	404,585	58,459,076	408	13,082,952
71	San Francisco Unified SELPA	61,617	1,480	551,408	536	0	536	0	33,005,851	536	264,999
72	San Joaquin County SELPA	47,376	1,892	750,010	390	703,349	405	133,696	19,317,955	408	9,450,284
73	San Juan Unified SELPA	49,512	2,130	844,355	390	720,658	405	139,724	20,188,926	408	3,982,780
74	San Luis Obispo County SELPA	35,639	1,258	498,685	390	521,175	405	100,574	14,532,096	408	3,651,812
75	San Mateo County SELPA	96,293	4,101	1,625,682	391	1,353,639	405	271,741	39,264,265	408	6,283,535
76	Santa Ana Unified SELPA	51,233	1,690	669,935	390	754,140	405	144,581	20,890,678	408	6,637,890
77	Santa Barbara County SELPA	66,241	3,363	1,333,130	391	941,632	405	186,934	27,010,314	408	5,796,351
78	Santa Clara Area I SELPA	20,773	623	246,964	392	262,018	405	58,622	8,470,362	408	980,615
79	Santa Clara Area II SELPA	30,289	1,258	498,685	391	435,411	405	85,476	12,350,590	408	2,261,550
80	Santa Clara Area III SELPA	35,726	1,330	527,227	555	0	555	0	19,829,959	555	1,234,696
81	Santa Clara Area IV SELPA	32,321	1,062	420,988	390	470,364	405	91,211	13,179,154	408	2,316,209
82	Santa Clara Area V SELPA	99,338	3,759	1,490,109	390	1,442,553	405	280,334	40,505,889	408	7,839,021
83	Santa Clara Area VI SELPA	18,708	906	359,148	390	273,254	405	52,794	7,628,341	408	2,371,507
84	Santa Clara Area VII SELPA	16,229	413	163,718	396	144,641	405	45,799	6,617,509	408	546,866
85	Santa Clarita Valley SELPA	32,237	1,236	489,964	390	469,358	405	90,974	13,144,903	408	3,224,844
86	Shasta County SELPA	32,375	1,418	562,111	390	470,297	405	91,363	13,201,173	408	3,042,533
87	Sierra County SELPA	751	(6)	(15,064)	823	0	823	0	617,795	823	(28,307)
88	Siskiyou County SELPA	8,284	81	(396)	437	0	437	0	3,617,887	437	(130,346)
89	Solano County SELPA	52,982	2,909	1,153,160	390	770,224	405	149,516	21,603,847	408	6,983,387
90	Sonoma County SELPA	73,843	3,491	1,383,871	391	1,048,325	405	208,387	30,110,092	408	5,491,482
91	South Bay Service Area SELPA	81,394	3,999	1,585,248	391	1,173,816	405	229,696	33,189,075	408	7,434,823
92	South Orange County SELPA	73,374	1,888	748,424	390	1,083,647	405	207,063	29,918,854	408	10,362,462
93	Southwest Service Area SELPA	96,420	4,513	1,789,003	391	1,352,300	405	272,099	39,316,050	408	6,622,820
94	Stanislaus County SELPA	98,838	5,596	2,218,316	390	1,440,552	405	278,923	40,302,010	408	15,414,958
95	Stockton City Unified	37,097	1,844	730,982	390	539,297	405	104,689	15,126,608	408	4,297,336
96	Sutter County SELPA	16,891	964	382,140	390	243,953	405	47,667	6,887,445	408	2,107,124
97	Tehama County SELPA	11,896	528	209,305	391	167,352	405	33,571	4,850,692	408	796,608
98	Tri-Cities SELPA	23,343	1,041	412,664	391	329,161	405	65,874	9,518,301	408	1,896,652
99	Tri-County SELPA	21,864	1,097	434,863	412	0	412	0	8,998,990	412	844,272
100	Tri-Valley SELPA	27,287	988	391,654	390	403,419	405	77,005	11,126,499	408	4,531,433

New Funding Model for Special Education -- Part III

101	Trinity County SELPA	2,571	82	28,542	645	0	645	0	1,659,405	645	33,495
102	Tulare County SELPA	91,776	4,948	1,961,442	390	1,329,511	405	258,994	37,422,421	408	11,087,689
103	Tustin Unified SELPA	13,674	369	146,276	390	202,074	405	38,588	5,575,686	408	1,911,496
104	Vallejo City Unified SELPA	20,471	999	396,015	390	300,902	405	57,770	8,347,219	408	2,916,235
105	Ventura County SELPA	142,631	6,451	2,557,247	390	2,084,263	405	402,508	58,158,966	408	18,204,353
106	Washington Township SELPA	53,072	2,102	833,256	390	779,139	405	149,770	21,640,546	408	6,977,001
107	West Contra Costa Unified SELPA	33,739	1,555	616,419	390	496,281	405	95,212	13,757,355	408	5,388,737
108	West End SELPA	120,313	7,873	3,120,944	390	1,741,553	405	339,526	49,058,618	408	18,738,760
109	West Orange County SELPA	45,636	1,451	575,192	456	0	456	0	20,792,268	456	1,414,044
110	West San Gabriel Valley SELPA	105,873	5,194	2,058,959	390	1,535,680	405	298,776	43,170,589	408	10,837,694
111	Whittier Area SELPA	49,614	2,459	974,775	390	718,341	405	140,012	20,230,518	408	4,756,952
112	Yolo County SELPA	26,611	1,279	507,010	390	386,278	405	75,097	10,850,855	408	2,987,378
113	Yuba County SELPA	14,347	600	237,847	390	209,014	405	40,488	5,850,108	408	1,330,884
	Totals	5,854,758	282,259	111,712,980	396	76,203,671	409	15,251,475	2,412,168,024	412	650,617,691

Appendix D

Nonpublic Schools

Figure 1

Nonpublic Schools (NPS)^a Average Daily Attendance (ADA) and Costs 1993-94

SELPA	ADA			NPS Cost	Cost Per NPS ADA
	Total	NPS	Percent of Total		
Alameda					
Oakland USD	49,190	123.92	0.25%	\$2,739,976	\$22,111
No. Alameda	23,661	52.72	0.22	1,148,516	21,785
Mid-Alameda	42,001	53.11	0.13	1,597,443	30,078
Washington Township	48,440	55.76	0.12	1,556,204	27,909
Tri-Valley	24,317	23.10	0.09	626,342	27,114
Alpine					
Alpine/Lake Tahoe	5,516	2.87	0.05	60,461	21,067
Butte					
	33,699	7.01	0.02	183,710	26,207
Calaveras					
Tri-County	20,036	2.12	0.01	41,675	19,658
Colusa					
	3,874	—	—	—	—
Contra Costa					
Contra Costa County	71,588	100.26	0.14	2,491,482	24,850
Richmond USD	29,463	68.17	0.23	2,180,185	31,982
Mt. Diablo USD	33,245	58.48	0.18	1,328,340	22,714
El Dorado					
	21,243	8.86	0.04	201,704	22,766
Fresno					
Clovis USD	27,451	—	—	—	—
Fresno County	63,072	—	—	—	—
Fresno City USD	74,658	5.53	0.01	132,554	23,970
Glenn					
	6,017	—	—	—	—
Humboldt					
Humboldt/Del Norte	26,118	2.64	0.01	58,574	22,187
Imperial					
	31,386	4.79	0.02	78,426	16,373
Inyo					
	3,365	0.14	—	5,094	36,386
Kern					
Bakersfield City ESD	25,664	—	—	—	—
Kern County	81,093	—	—	—	—
Kern HSD	21,918	0.88	—	17,121	19,456
Kings					
	22,839	2.61	0.01	67,012	25,675
Lake					
	10,044	2.41	0.02	54,641	22,673
Lassen					
	5,153	—	—	—	—
Los Angeles					
Tri-Cities	19,669	49.63	0.25	916,086	18,458
Whittier Area	43,515	55.04	0.13	1,295,599	23,539
Los Angeles USD	593,408	2,429.79	0.41	36,077,756	14,848
Antelope Valley	57,961	21.34	0.04	544,409	25,511
Santa Clarita	28,582	26.63	0.09	516,092	19,380
Southwest	83,729	72.54	0.09	1,461,866	20,153

SELPA	ADA			NPS Cost	Cost Per NPS ADA
	Total	NPS	Percent of Total		
Foothill	44,762	98.99	0.22	1,937,459	19,572
Long Beach USD	74,072	82.49	0.11	1,457,946	17,674
Pasadena USD	21,161	32.13	0.15	495,605	15,425
Mid-Cities	114,730	58.21	0.05	1,302,536	22,376
Norwalk-La Mirada	39,643	41.12	0.10	906,990	22,057
East San Gabriel	122,895	21.19	0.02	422,400	19,934
West San Gabriel	91,923	36.19	0.04	678,558	18,750
Puente Hills	39,211	3.99	0.01	100,382	25,158
Madera					
Madera/Mariposa	24,116	—	—	—	—
Marin	26,540	44.35	0.17	966,203	21,786
Mendocino	14,705	—	—	—	—
Merced	46,005	2.47	0.01	36,865	14,925
Modoc	2,248	—	—	—	—
Mono	1,788	—	—	—	—
Monterey	55,885	23.20	0.04	457,807	19,733
Napa	17,503	13.47	0.08	277,699	20,616
Orange					
Northeast Orange	27,456	8.83	0.03	308,487	34,936
West Orange	40,643	22.58	0.06	872,824	38,655
Newport-Mesa USD	17,223	13.13	0.08	358,919	27,336
Orange USD	25,873	25.17	0.10	731,170	29,049
Santa Ana USD	46,549	15.81	0.03	448,055	28,340
Garden Grove USD	41,196	22.24	0.05	434,201	19,523
Irvine USD	21,375	27.72	0.13	778,530	28,085
Greater Anaheim	44,927	16.18	0.04	398,333	24,619
South Orange	61,810	31.66	0.05	846,279	26,730
Anaheim ESD	17,019	0.27	—	6,715	24,870
North Orange	34,698	21.83	0.06	492,798	22,574
Tustin USD	12,445	13.00	0.10	329,154	25,320
Placer					
Placer/Nevada	52,896	18.07	0.03	352,689	19,518
Plumas	3,579	—	—	—	—
Riverside					
Riverside County	157,787	182.74	0.12	3,772,120	20,642
Riverside USD	32,712	94.48	0.29	2,066,269	21,870
Corona-Norco USD	25,211	33.67	0.13	761,947	22,630
Moreno Valley USD	30,667	39.75	0.13	862,588	21,700
Sacramento					
Sacramento County	55,548	117.82	0.21	2,410,135	20,456
Sacramento City USD	47,148	122.94	0.26	2,406,995	19,579
San Juan USD	45,693	57.80	0.13	1,227,874	21,243
Elk Grove USD	31,740	38.07	0.12	813,138	21,359
San Benito	8,539	—	—	—	—
San Bernardino					
Fontana USD	28,884	20.61	0.07	221,675	10,756
Morongo USD	10,085	7.28	0.07	149,218	20,497
Desert/Mountain	64,513	59.43	0.09	1,332,144	22,415
West End	95,836	22.01	0.02	550,009	24,989
San Bernardino USD	42,132	31.70	0.08	598,515	18,881
East Valley	70,231	38.11	0.05	895,875	23,508
San Diego					
San Diego City USD	123,483	306.74	0.25	6,346,699	20,691
South Bay	67,247	55.62	0.08	1,128,427	20,288
North Inland	33,802	12.68	0.04	216,902	17,106
East County	74,662	73.86	0.10	1,302,366	17,633

SELPA	ADA			NPS Cost	Cost Per NPS ADA
	Total	NPS	Percent of Total		
North Coastal	83,264	36.69	0.04	519,653	14,163
Poway USD	28,174	33.49	0.12	645,394	19,271
San Francisco					
San Francisco USD	61,331	337.48	0.55	9,867,462	29,239
San Joaquin					
San Joaquin County	41,179	5.51	0.01	108,201	19,637
Stockton USD	33,293	15.24	0.05	252,928	16,596
Lodi USD	24,638	7.03	0.03	191,140	27,189
San Luis Obispo	32,288	5.21	0.02	119,441	22,925
San Mateo	85,772	117.28	0.14	2,886,993	24,616
Santa Barbara	56,032	1.63	—	36,842	22,602
Santa Clara					
Area 1	18,976	47.25	0.25	1,459,512	30,889
Area 2	27,208	26.55	0.10	784,152	29,535
Area 3	32,613	22.06	0.07	559,231	25,350
San Jose USD	29,535	8.42	0.03	263,897	31,342
Area 5	89,552	58.82	0.07	1,608,560	27,347
Area 6	16,532	—	—	—	—
Santa Clara USD	13,443	13.76	0.10	304,325	22,117
Santa Cruz					
Pajaro Valley USD	17,644	1.21	0.01	40,645	33,591
North Santa Cruz	18,466	1.00	0.01	42,999	42,999
Shasta	31,885	18.68	0.06	382,945	20,500
Sierra	787	—	—	—	—
Siskiyou	8,641	1.56	0.02	33,394	21,406
Solano					
Solano County	45,772	22.69	0.05	485,120	31,380
Vallejo USD	18,829	31.81	0.17	980,964	30,838
Sonoma	65,712	93.12	0.14	1,799,279	19,322
Stanislaus	84,281	58.64	0.07	701,736	11,967
Sutter	14,156	4.07	0.03	97,348	23,918
Tehama	10,781	0.36	—	7,680	21,333
Trinity	2,575	—	—	—	—
Tulare	79,473	—	—	—	—
Ventura	124,937	98.54	0.08	1,998,951	20,286
Yolo	23,207	13.26	0.06	153,548	11,580
Yuba	13,243	6.66	0.05	105,095	15,780
Totals	5,096,930	6,327.97	0.12%	\$124,280,203	\$19,640

^a Excludes pupils placed by noneducation agencies in licensed children's institutions.

Appendix E

“Encroachment”

As we participated in meetings across the state, we frequently heard complaints from local administrators regarding the adequacy of funding for special education. They often cited the level of spending from local funds, or “encroachment,” as evidence of inadequate funding.

We do not use the term “encroachment” in our report, nor do we believe that the level of local funding of special education, as calculated using data from the J-380/580 forms, is a useful indicator of the adequacy of state special education funding. This is for the following reasons:

As used by some, the word “encroachment” implies that special education should be funded entirely from state and federal funds. As indicated in the report, special education funding is a shared local, state, and federal responsibility.

A large portion of local funding is associated with a maintenance-of-effort requirement established in 1979-80. This amount (the local general fund contribution) has never been increased for inflation or enrollment growth. If increased by these factors, the maintenance-of-effort requirement would account for more than half of the current “encroachment.” (See the discussion of the local general fund contribution in Chapter 1.)

Local decisions contribute to “encroachment.” For example, we observed differing staffing arrangements for similar “fully included”

pupils, some involving a full-time aide and others involving less-than-half-time aides. Costs for these staff, whether high or low, are included in regular expenditures for special education.

In addition, in prior fiscal years, COLAs provided for special education have been less than COLAs provided for revenue limit funding. However, many LEAs based salary increases for staff on the percentage used for the revenue limit COLA. Special education staff received the same increases. However, in the absence of a corresponding increase in special education funding, the local contribution to the special education program had to go up to cover these increased costs.

The costs for special education reflected on the J-380 and J-580 forms are usually compared to the amount of available funding to calculate “encroachment.” There is no evidence that this is a valid comparison.

The costs reflected on the J-380/580 forms are neither true excess costs (the costs of a special education student that exceed the costs of a general education student) nor true total costs (the costs for providing all education services to special education students). There is no evidence that the specific calculations on these forms were designed to capture costs corresponding to the entitlement calculation in the budget. This suggests that comparing the J-380/580 costs to the budget appropriation may be an “apples to oranges” calculation.

We believe that it is unlikely that the Legislature and the Governor, in enacting the Master Plan, intended to provide funding for anything other than the excess costs of special education services. This is because, as a general rule, when a new program (special education) is added to an existing program (general education), the appropriation for the new program only covers the excess (or marginal) costs of the new program. To do otherwise might involve providing funding for administrative and overhead costs—which are included in total costs but not in excess costs—already supported by another source of funds (in this case, revenue limit funding for the general education program).

This discussion is not intended to comment on the adequacy or inadequacies of special education funding, an issue that is outside the

scope of this report. Nor do we intend to comment on any individual LEA's calculation of encroachment. We do find that there is little analytical validity in the often-quoted calculation for statewide encroachment, and that this calculation provides no insight regarding the adequacy of special education funding.

Finally, we would note that by equalizing the amount per student that each SELPA receives from the state and federal governments for special education programs, we believe that the amounts per student that LEAs contribute to this program will become more equal. Over time, variations in the amount of local contribution to special education should be attributable more to local policies than the state's formula for funding.

Appendix F

Questions and Answers on the Proposed Special Education Funding Model

Question: What are the main differences between the proposed special education model and the current system?

Answer: Figure 3 in the Executive Summary of the final report contrasts the major differences between the current system and the proposed model.

Question: Does the proposed funding model eliminate the “labeling” of students?

Answer: No, it does not eliminate “labeling” of students for educational service needs, as required by federal and state law.

Question: Does the proposed funding model eliminate Individualized Education Programs (IEPs)?

Answer: No, the proposed model makes no change in requirements related to IEPs.

Question: Does the proposed model eliminate the current requirement that federal and state funds allocated for special education be spent only on special education?

Answer: No, the proposed model does not eliminate this requirement.

Question: *What does the proposed model do with respect to “encroachment” on the regular education program?*

Answer: Appendix E includes a full discussion of “encroachment,” which is the amount of local general-purpose funds spent for special education. A major contributor to variation in local funding is the unequal distribution of state support. The proposed funding model would equalize state funding and thereby help equalize encroachment across the state.

We note in our report that the federal government has fallen far short of its stated funding goal for special education. Based on congressional intent, federal support to California fell short by \$745 million in 1992-93 (based on the 40 percent intent). According to estimates developed by the federally sponsored Center for Special Education Finance, if congressional intent were adjusted to reflect current data, California's 1992-93 shortfall would increase to slightly over \$1 billion. Total reported expenditures from federal, state and local sources for special education in that year were \$3.1 billion.

Question: *Does the proposed model allow special education personnel to work with nonidentified students?*

Answer: Special education personnel have always been allowed to work with nonidentified students, and do so effectively in many areas. Both the current and proposed new funding models restrict the use of special education *funds* to children with IEPs. This means that special education personnel working with nonidentified

children must be paid from a funding source other than the funds for special education.

Under current law—and the proposed funding model—school sites that are school based coordinated programs have additional flexibility in using their personnel. Specifically, at these sites special education services may be provided to students without IEPs, provided that all identified individuals are appropriately served and a description of the services is included in the school site plan. Programs for students with IEPs must be under the direction of credentialed special education personnel, but services may be provided entirely by personnel not funded by special education monies provided that all services specified in the IEP are received by the pupil.

Question: Is the newly proposed special education credential structure in conflict with the new funding model?

Answer: No. In moving away from restrictions based on placement, the proposed changes in the funding model would be consistent with changes in the credential structure. We are proposing as part of the accountability provisions that staff qualifications be addressed as part of a SELPA's local plan.

Question: How is accountability for special education expenditures maintained in the proposed model?

Answer: Federal and state funding allocated for special education purposes will be monitored as a part of the overall accountability system.