

January 23, 2017

Pasadena Unified School District Board of Education

CAC Update: Special Education Finance
Jerrell Hill, Assistant
Superintendent/SELPA



PASADENA UNIFIED SCHOOL DISTRICT

Our Children Learning Today Leading Tomorrow 우리 아이들 오늘 배우고 내일 선도한다 我们的孩子 今天学习知识 明天主导未来
Մեր Զաւակները Կուսանին Այսօր Կառաջնորդեն Վաղը Nuestros Niños estudiantes hoy mañana líderes
我们的孩子 今天学习知识 明天主导未来 Our Children Learning Today Leading Tomorrow 우리 아이들 오늘 배우고 내일 선도한다
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PPIC Report

Section - Department

In 2016 Governor Brown asked the Public Policy Institute of California (PPIC) to investigate and report on California's special education financing in light of

The principles of local control, accountability, transparency and equity and that underlie the Local Control Funding Formula (LCFF),

The Special Education Task Force recommendation for a seamless and unified special and general education program.

PPIC Research Methodology

The PPIC Looked at the recent history of special ed financing in California.

Reviewed special education caseload and spending data

Looked at individual student data (CASEMIS)

Interviewed a few SELPA directors and superintendents

Reviewed some SELPA websites

Looked at what other states are doing

PPIC Findings

Special education funding is “categorical”, meaning it must be spent specifically on specialized services to students who fall into the category of special education.

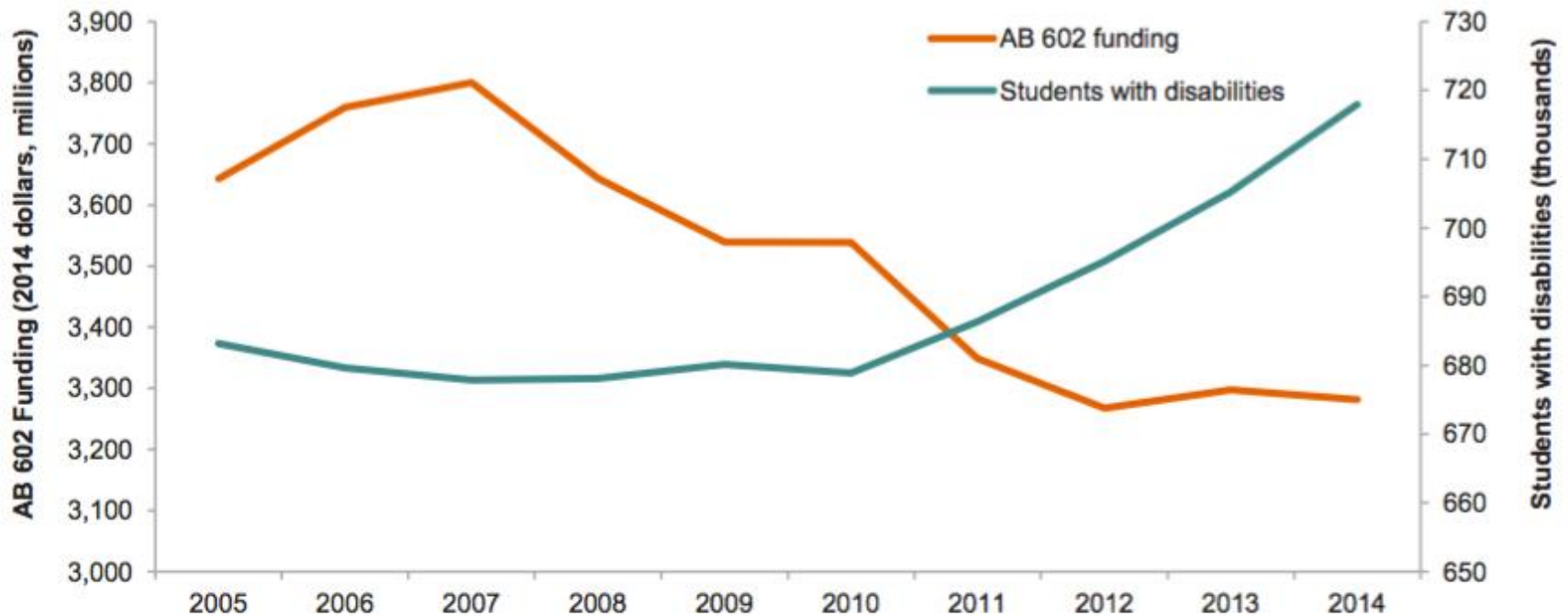
AB 602 special education funds are distributed to SELPAs based on census counts of all students.

The annual per student amount of AB602 revenue varies from SELPA to SELPA, ranging from under \$500/student to over \$1200/student. The average is \$557/student

PPIC Findings

FIGURE 2

Inflation-adjusted state special education funding has decreased while number of students with disabilities has increased



SOURCE: CDE CASEMIS and AB 602 funding, including state property tax used in AB 602 funding distribution calculations and the Out-of-home care program.

PPIC Findings

While general ed census is down overall in California, the numbers of students with IEPs have continued to rise.

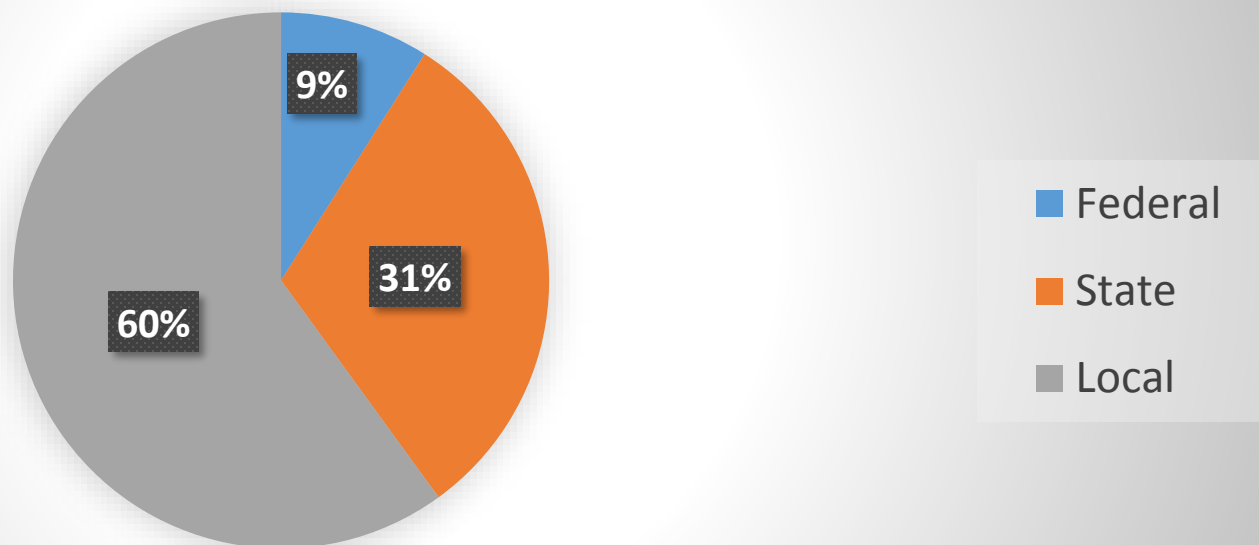
Within the special education population, the percentage of students with more severe (and costly) needs has risen while the percentage of students with milder needs has declined.

Education funding increases in CA have largely supported general education through increases to the local control funding formula (LCFF); special education funding has not been increased to keep pace with rising service costs or with general education funding

Funding Sources

As a result of rising costs and flat or declining special education state revenues, over half of the cost of special education now comes from local

Funding Sources for Special Education Programs in California



Recommendations

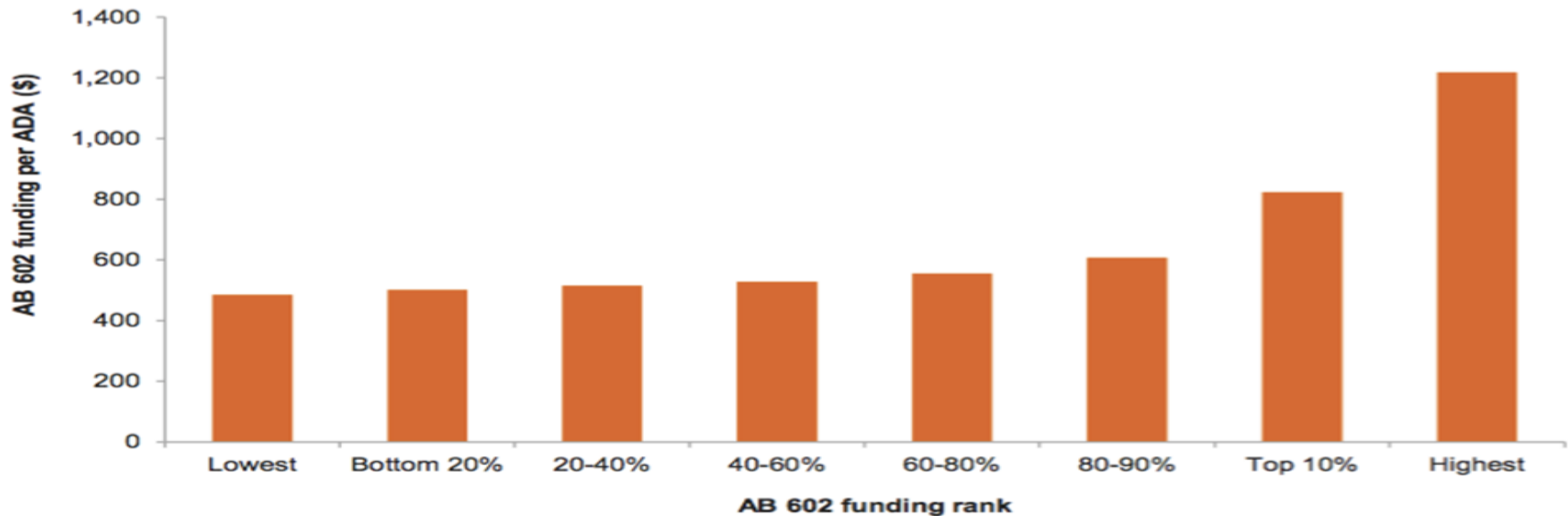
Based on their findings, and in light of the governor's priorities of local control, transparency equity, and accountability, and the special education task force's recommendation for a unified system of general and special education, the PPIC made a number of recommendations:

AB 602

Equalize AB 602 funding to either the 90th percentile (after eliminating the 12 highest funded SELPAs from the formula) or the 2007 per ADA rate - either of these would mean approximately \$653 per ADA

FIGURE 3

The top fifth of SELPAs by per-pupil funding receive 40 percent more funding than the bottom fifth



SOURCE: CDE CASEMIS and AB 602 funding data, 2014–15.

NOTES: AB 602 funding including out-of-home care and state property tax. The Los Angeles Court School SELPA is excluded.

More Recommendations

- Add mental health revenue to the AB602 funds
- Add the AB602 funds to the LCFF funds
- Consider lifting restrictions on the use of special education funding
- Provide more funding for Preschool



County Offices

The PPIC recommends that in the absence of SELPAs, some other organization, “maybe county offices of education” take responsibility for

Statutory SELPA Responsibilities

- A coordinated system of identification, referral, and placement
- An annual budget that includes a description of how funds are distributed to member districts in multidistrict SELPAs
- An annual service plan outlining the services each district and county office of education will provide
- Plans for providing services to students in medical, correctional, or other facilities
- A process for protecting student and parental rights
- Regional staff to train and consult with district teachers and administrators
- Submission of special education program data required by state and federal law
- Coordination with other public agencies that serve people with special needs

SOURCE: California Education Code, Sec. 56195–56208

Summary

The PPIC also recognized the need for some sort of regional entity to

Assist districts with legal compliance.

Offer training for teachers.

Assist districts with curriculum development.

Shield small districts from extraordinary costs

Offer regionalized programs and services for hard-to-serve populations.

A final thought offered by the PPIC is that smaller districts “may want to join SELPA-like consortiums to achieve economies of scale”

Final Thought

The PPIC recommendations are just that – recommendations, and the state may choose which, if any, to implement.

Federal laws and regulations must still be followed; some of the PPIC recommendations (such as removing restrictions on the expenditure of special education funds) may run afoul of federal regulations.

There is no evidence that the CDE supports the recommendations to change the special ed funding allocation patterns or dissolve SELPAs:

Special Thanks to Sara Woolverton, Ph.D.

Questions & Comments

