South East SELPA
2026-2027 Budget Allocation Plan

Alum Rock Union School District–Berryessa Union School District– East Side Union High School District
Evergreen Elementary School District–Franklin McKinley School District–Gilroy Unified School District
Milpitas Unified School District–Morgan Hill Unified School District–Mount Pleasant Elementary School District
Oak Grove School District–Orchard School District–Santa Clara County Office of Education

SELPA Executive Director: Shelly Ota
Administrative Unit: Santa Clara County Office of Education
Responsible Local Agency: Mt. Pleasant Elementary School District

2025-2026 South East SELPA State and Federal Budget Allocation Plan Summary*

Budget Allocation Plan Item	Res Code	Allocation Method/Additional Information
Federal Local Assistance	3310	Prior year October Census Day Pupil Count of students served in SCCOE operated programs and ADA for students served in District operated programs.
Federal Preschool Grant	3315	Prior year October Census Day Special Education preschool pupil count
Federal Preschool Staff Development	3345	Prior year October Census Day Special Education preschool pupil count
AB 602 Base Funding Entitlement	6500	Allocated to member LEAs using the greater of the LEA's current year, prior year, or second prior year total TK-12 ADA
State Low Incidence	6500	South East SELPA allocates 80% of State LI funds to the District of Residence to provide services and materials to students with LI needs. The remaining 20% of LI funds remain at the SELPA office for purchasing LI equipment for individual eligible students according to SELPA guidelines. Any excess amount in each member LEA's allocation at the end of the year will be carried over to the subsequent year.
State Out of Home Care	6500	The South East SELPA allocates these funds to reimburse SCCOE Special Education for the tuition cost/expenditures of students placed in LCI/NPS. This cost is shared by all districts in the South East SELPA based on each district's ADA. Any excess or shortage of these funds will be shared proportionately by districts' current ADA. With changes in the calculation method and funding at the state level, it is anticipated that the district's contributions may increase.
Excess Property Tax		Calculated by SCCOE using prior year October CALPADS pupil count for the SELPA. The funds are then divided among the LEAs based on their funded ADA. The funds are used to offset SCCOE Special Education program costs, any remaining amount will be distributed back to LEAs.
State Regionalized Services/Program Specialist (PS/RS)		Paid for out of the member LEA's allocations which are based on each District's funded ADA. The South East SELPA provides substantial support for its member LEAs including: regionalized itinerant Deaf and Hard of Hearing and Visual Impairment services, coordination of therapeutic and behavioral programs offered by member LEAs, fiscal services including reporting and monitoring and data management, monitoring and technical assistance. Any excess amount will be distributed back to LEAs based on the current year P-2 ADA.
SCCOE Facilities Rates		Status quo since 2018-19. Facilities rates remain at $27,148/class; 6.92 students/class, 65% land only.

AB 602 BUDGET ALLOCATION PLAN

State Funding

AB 602 State Funding Revenue Sources (Resource Code 6500 - State)

AB 602 funding comes from three primary funding sources:

- State Special Education Apportionment
- County Special Education Property Taxes
- ERAF- County Excess Revenue Augmentation Fund

The distribution of this revenue is managed by the SELPA Office Administrator and allocated according to the formulas agreed upon and specified in this document to each member LEA in the South East SELPA and is calculated as follows for each member LEA:

AB 602 Formula
Base rate
Times the funded ADA for each LEA*
Minus excess property tax
Plus or minus inter-district charges (if applicable)
Minus cost for SELPA Regional programs
Minus excess SCCOE Program Cost
=net apportionment to each LEA

*funded = the highest of 3 years ADA

County Special Education Property Taxes

This component of State funding is calculated by the County office based on prior year October CALPADS pupil count. The SELPA amount is divided out to districts based on each district's ADA and incorporated into the AB 602 formula. Each district's share of County Excess Special Education Property Taxes will be reduced by that district's cost of utilizing Santa Clara County Office Special Education programs.

County Excess Revenue Augmentation Fund (ERAF taxes)

Education Revenue Augmentation Fund, (aka ERAF), is a mechanism, enacted in July of 1992 by the State Legislature, to shift local tax revenues from cities, counties, and special districts to a state controlled Education Revenue Augmentation Fund. The state uses this fund to reduce their obligation to the schools. ERAF funds have been used by the State to help school and community college districts meet minimum funding requirements under Proposition 98.

Low Incidence Services, Materials and Equipment (Resource Code 6500 – State)

Low Incidence funds ensure that appropriate services, equipment and materials for eligible students whose IEPs require such items can be supported with state level funds. Low Incidence revenue is based on Low Incidence Pupil Count (Primary and Secondary disabilities) as of the CALPADS Census Day in October and is provided at P1.

South East allocates 80% of State LI funds to the District of Residence to provide services and materials to students with LI needs. The remaining 20% of LI funds remain at the SELPA office for purchasing LI equipment for individual

eligible students according to SELPA guidelines. Any excess amount in each member LEA's allocation at the end of the year will be carried over to the subsequent year.

Out of Home Care (OOHC) - (Resource Code 6500 – State)

The State provides funding for each SELPA for foster youth, pupils placed in the short-term residential therapeutic program (STRTP) and three other types of specialized facilities (Community Care, Intermediate Care, and Skilled Nursing facilities) located within a SELPA's geographic boundaries. The South East SELPA allocates these funds to reimburse SCCOE Special Education for the tuition cost/expenditures of students placed in LCI/NPS. This cost is shared by all districts in the South East SELPA based on each district's ADA. Any excess or shortage of these funds will be shared proportionately by districts' current ADA. With changes in the calculation method and funding at the state level, it is anticipated that the district's contributions may increase.

AB 602 State Funded Programs

SELPA Responsible Lead Agency (RLA) and Administrative Unit Funding/Regionalized Services/Program Specialist (RS/PS)

SELPAs receive an allocation from CDE as Regionalized Services/Program Specialist (RS/PS) funds to ensure the SELPA has sufficient resources to implement the state and federal mandates on behalf of the LEAs. The SELPA RLA and AU Budget is developed in collaboration with the Special Education Directors Collaborative Work Group and District Fiscal Teams and is aligned to the regional priorities of the SELPA. The South East SELPA provides substantial support for its member LEAs, regionalized itinerant Deaf and Hard of Hearing and Visual Impairment services, coordination of therapeutic and behavioral programs offered by member LEAs, fiscal services including reporting and data management and training. These costs will be included in the SELPA budget and paid for out of the member LEA's allocations which are based on each District's current ADA. Any excess RS/PS amount will be distributed back to LEAs based on the current year P-2 ADAs unless otherwise agreed by the Superintendents' Executive Council.

The projected estimated budget for the SELPA RLA includes funding for SELPA staffing for the support services aligned to the SELPA priorities including direct and indirect costs that fund the operations of the RLA. This also includes the operation of the SELPA Itinerant Visual Impairment and Deaf/Hard of Hearing regional programs.

The South East SELPA is staffed as follows:

- 1.0 full time equivalent (FTE) SELPA Director
- 2.0 FTE SELPA Program Specialist/Administrator
- 1.0 FTE Data Specialist
- 1.0 FTE Fiscal Analyst or Advisor
- 1.0 FTE Clerical Support

To operate the Itinerant Visual Impairment and Deaf/Hard of Hearing regional programs, staffing is as follows:

- 2.0 FTE DHH Teacher
- 3.0 FTE VI Teachers
- 1.5 FTE Paraprofessionals

Medical Therapy Unit (MTU)

The MTU housed in the South East SELPA, called South Valley MTU is currently located in Oak Grove School District on the property of Taylor Elementary School. South East SELPA members share specific costs, as outlined in an interagency agreement, of the MTU out of the SELPA RLA budget. The actual costs of operating the MTU, including supplies and equipment, is funded with PS/RS dollars and rolled into the SELPA annual operating budget. SELPA allocates $70,000 annually to operate the MTU, including repairs as needed and approved, based on the parameters of the Interagency Agreement. Any requests for expenditures in excess of the budgeted allocation will not be granted without further approval from the Superintendents' Executive Council. At the end of each fiscal year, any unused funds remaining in the budget shall be redistributed to all districts, unless otherwise agreed by the Superintendents' Executive Council.

Santa Clara County Office of Education Special Education Program Costs

Special Education Block Program Costs

The programs operated by the Santa Clara County Office Special Education (COE) are considered regional programs operated for students residing in Santa Clara county requiring specialized services. A Fee for service "Building Block" model has been developed for the calculation of costs associated with these programs, and is included. The block rates.are rebenched throughout the year and discussed at Rebenching meetings hosted by the Santa Clara County Office of Education. Final rates are provided to Districts and the SELPA offices by the end of the academic year.

- The SCCOE Special Education Program department uses Lottery Funds received directly by SCCOE and Federal Preschool Grants received from SELPAs to partially offset block costs.
- The SCCOE Special Education Program Department uses LCFF Base Funding received directly by SCCOE for Special Education in Court Schools ADA to partially offset the SAI Alternative Education program costs in the block.
- Local Control Funding Formula (LCFF) funds generated by students served by the SCCOE will not be transferred to the SCCOE as per agreement between SCCOE and the Santa Clara county school districts for district-funded pupils attending Special Education programs operated by SCCOE under LCFF.
- The SCCOE Internal Business Services (IBS) manages the accounting for the SCCOE Special Education Block Fund (Fund 820) and coordinates with the SCCOE Special Education department in the calculation of program rates.
- Any difference in revenues collected and actual cost of SCCOE programs, after closing for the current fiscal year, will be adjusted in the subsequent year. SCCOE may carry over a reserve of Special Education revenue, which does not exceed 2% of its Special Education expenditures for the year, for the purpose of rate stabilization to districts. Any reserve in the excess of 2% will be returned to districts on a rate-per-pupil attending SCCOE programs basis.

Block Program Rates include:

- Specialized Academic Instruction (SAI)
- Skilled Nursing Facilities (SNF)
- Deaf & Hard of Hearing (DHH)
- Medically Fragile (MF)/Orthopedic Impairment(OI)
- Specialized Academic Instruction (SAI Alternative Ed)

1:1 Aides Rates include:

- 1:1 Aide
- Specialized Program Health Care (SPHC)
- 1:1 Licensed Vocational Nurse (LVN)

The SCCOE Special Education Department provides each District and the SELPA monthly Block Enrollment reports which includes enrollment in each Block, Special Circumstance Instructional Assistant (1:1 SCIA) reports, and DIS reports from the SCCOE Special Education Department.

SELPA and District Responsibility for Calculations of District's SCCOE Special Education Program Costs

The District Special Education Director and SCCOE Special Education Department have a shared responsibility in monitoring pupil counts for students attending the SCCOE Special Education Programs and providing corrections on a monthly basis to ensure billing calculations are accurate.

- Each district is responsible for the costs of students enrolled in the SCCOE Special Education programs
- The SELPA is responsible for applying the Block program rates provided by the SCCOE Special Education department to calculate each district;s costs based on the following:
    - The block costs are charged to districts based on the average number of students enrolled in each block from October - April.
    - Home Teaching costs for individual students are billed back to districts in addition to the cost per student in each Block.
    - The 1:1 Aide and Health Aide costs will be charged to districts utilizing the services based on an average of 11-month count (July-June)
    - DIS - Actual hours from July-June
- State AB602 Special Education funds generated by each district is "taken off the top" and reallocated to SCCOE Special Education to pay for that district's block program costs
- Partial offsets from IDEA Local Assistance Entitlement (Resource Code 3310) based on prior year P2 ADA
- Balance deducted from each districts' AB 602 Entitlement funding sources (Resource Code 6500) i.e., Excess Special Education Property Tax, Excess ERAF for Special Ed, State Aid.
- If a district generates insufficient Special Education funds, the districts will use other funding sources to cover excess costs.

Fiscal Responsibility for Students residing in a Licensed Children's Institution (LCI), and enrolled in a SCCOE and/or district program or a non-public school (NPS), including transportation reimbursement when applicable:

For the purposes of this agreement, LCI includes the following settings: Group home, Short-term residential therapeutic program, Children's crisis residential program, Group home for children with special health care needs, and Enhanced behavioral supports home (if serving children).

Districts in the South East SELPA agree to share the cost of students ages 3-18 residing in LCIs located in South East SELPA who are receiving special education and related services provided by the SCCOE. The cost share, after excluding transportation costs and applying reimbursement received through the NPS/Extraordinary cost claim, shall be allocated among member districts based on each district's ADA and deducted from each district's apportionment. SCCOE shall

allocate and record each district's proportionate share of NPS transportation expenditures through appropriate journal entries to each district's general ledger to facilitate reporting for the State Home-to-School Transportation reimbursement program. If the reimbursement received from NPS/Extraordinary cost claims exceed services cost provided by SCCOE, the excess amount will be returned based on each district NPS/Extraordinary cost approved reimbursement amount.

Fiscal Responsibility for Students Served in Non-Public Schools/Agencies:
Districts are individually responsible for the costs of Non-Public Schools/Non-Public Agency (NPS/NPA). Included in each district's base rate is the revenue received for reimbursement of NPS/NPA in the base year 1997/98. Any new students placed in NPS after July 1,1998 will qualify for a reimbursement of an amount that is in the excess of a specified threshold amount depending on CDE available funds (NPS Extraordinary cost). These claims are submitted annually by the SELPA on behalf of the member LEAs.

Fiscal Responsibility for Students Served in Hospitals
The cost of serving students residing in hospitals shall be the responsibility of the district in which the hospital is located.

Fiscal Responsibility for Students Served in Juvenile Court Facilities
The cost of special education services provided by SCCOE for students in Juvenile Court Facilities shall be charged to districts based on usage of the program. Special education services for students in district operated alternative school programs shall be the responsibility of the district operating the alternative program.

Facilities Costs
All SELPA Executive Councils in Santa Clara County have approved a policy to cover housing for programs operated by the SCCOE Special Education Department on district operated sites. During the re-benching rate for 2017-18, there was a question if non-classroom spaces should be given the same credit as classroom spaces, and the committee has requested to have a study group in the Fall of 2017 to analyze the rate setting process. However, SCCOE was unable to have the study completed and the rates that were set in 2018-19 have been used for all subsequent years.

Inter-district Transfers (IDT) and IEP Referral Transfers for Open Access Programs

The South East SELPA funding for inter-district transfers is intended to follow the student's services. Different forms are used to calculate the costs, including actual and average cost calculations, depending on the program that serves the student. The SELPA IDT Policy and Guidelines describes the policy and procedures that guides district decision making regarding IDTs and IEP Team Referral Transfers for programs member districts have deemed available and have opened access to serve students from other districts within the South East SELPA. Each district develops its own practices aligned to the SELPA policy.

Additional Information

Interest on SELPA Pass-through Revenues:

SELPA AU will distribute the interest accrued on SELPA revenues to districts based on the percentage of districts' Special Education state aid at the end of the fiscal year.

Unallocated Funds:

Any unanticipated or unallocated funds coming to the South East SELPA will be reported to the Superintendents Executive Council for review and recommendation as to allocation. The SELPA Director will get input from the Directors and district fiscal administrators for a recommendation for allocation prior to bringing it to the Executive Council.

SELPA Growth/(Declining) Funds:

The State has increased base rate significantly since 2020-21 and the AB602 calculation has not included Growth/(Declining).

SELPA COLA Funds:

100% of COLA revenue will be added to base rate and apportioned to all districts in the South East SELPA based on the CDE calculated dollar rate per ADA.

TRANSFER OF FISCAL RESPONSIBILITY FROM ELEMENTARY TO HIGH SCHOOL DISTRICTS

If a student completes 8th grade or reaches age 14.9 by September 1, fiscal responsibility shall transfer to the high school district at the completion of extended school year (ESY). If a student, due to the severity of the disability does not complete a traditional course of study but meets the Local Education Agency (LEA) requirements for completion of a prescribed course of study, as designated in the student's IEP, the LEA shall award a certificate of completion and fiscal responsibility shall transfer to the high school district. If the IEP team determines that promotion to the 9th grade is not appropriate, fiscal responsibility shall remain with the elementary school district. Students attending non-public schools are included in this procedure.

Charter School Policy (Summary Related to Fiscal Components)

Funding for special education services, participation in the governance structure and responsibility for the provision of services shall be based on the categorization of the individual Charter School as either operating as a public school of its chartering entity or functioning as a LEA. Schools chartered by a LEA shall negotiate their charter and MOU with the school district from which they are seeking the charter. Charter schools may also elect to be deemed a Local Education Agency (LEA) by providing verifiable written assurances that the Charter School will participate as a LEA in a SELPA for purposes of the provision of special education services.

Prior to the approval of a new charter or renewal of an existing charter or MOU, the Superintendent or designee of the chartering entity shall consult with the SELPA Director regarding the provision of special education services to students enrolled by the Charter School. The petitioner must provide adequate assurances that all eligible students enrolled in the Charter School will receive appropriate special education services in accordance with the Local Plan and law. The charter must provide assurances that no student will be denied enrollment in the Charter School due to a disability. The SELPA will be available to provide consultation on the potential fiscal impact and benefit that may be associated with granting the requested charter.

An approved charter must delineate the entity responsible for providing special education instruction and services, any anticipated transfer of special education funds between the granting entity and the Charter School and any provisions for sharing deficits in funding. These provisions may be included in a Memorandum of Understanding.

CHARTER AS A PUBLIC SCHOOL WITHIN A DISTRICT

Charter Schools that are deemed to be public schools within a district will participate in the State and Federal funding in the same manner as other schools within the chartering district. The chartering district will receive and appropriately

distribute all applicable special education funds, as outlined in the SELPA Budget Allocation Plan. The chartering district and/or Charter School may contract for special education services with other public or private educational entities. When a student lives outside the boundaries of the chartering district, the district in which the child lives will have no responsibility to provide services or pay excess costs. The chartering district and Charter School may enter into agreements/MOUs whereby the Charter School is billed for excess costs associated with providing special education services to identified students, including the administration of special education programs. The Charter School may also be held fiscally responsible through agreements/MOUs for a fair share of any encroachment on the chartering district's general fund that is created by the provision of special education services throughout the district.

CHARTER AS A PUBLIC SCHOOL WITHIN THE COUNTY OFFICE
Charter Schools that are deemed to be public schools within the Santa Clara County Office of Education (SCCOE) will participate in the State and Federal special education funding in the following manner: (1) the SELPA where the charter school is located will distribute special education funding to the SCCOE pursuant to the SELPA Budget Allocation Plan; (2) the SCCOE will use these funds to fund the actual cost of special education services provided by the Charter School up to the total amount generated; (3) any unused funds will be returned to the SELPAs in the same proportion in which they were received. The SCCOE will be responsible for ensuring that all children with disabilities enrolled in the Charter School receive special education and related services in a manner that is consistent with all applicable provisions of State and Federal law. The SCCOE will determine the policies and procedures necessary to ensure that the protections of special education law extend to students in the Charter School. The SCCOE will receive and appropriately distribute all applicable special education funds, as outlined above. When a student lives outside the boundaries of the SCCOE, the district in which the child lives will have no responsibility to provide services or pay excess costs. The SCCOE and the Charter School may enter into agreements/MOUs whereby the Charter School is billed for excess costs, based on the SELPA-Wide average rate of local support per ADA, associated with the provision of special education services to identified students, including the administration of special education programs.

CHARTER AS AN LEA WITHIN THE SELPA A charter school may apply to become a LEA for the provision of special education services. The Executive Council shall determine whether the charter school has provided requisite assurances. Once approved as a LEA, the charter school shall participate in the governance of the SELPA in the same manner as other districts within the SELPA. It will also receive state and federal funding for special education in the same manner as other districts within the SELPA. The charter school will also be responsible for all costs incurred in the provision of special education services.

Federal IDEA Part B Funding

The California Department of Education (CDE) receives Special Education funding under three provisions of the federal Individuals with Disabilities Education Act (IDEA). California's Legislature and Governor provide the guidelines for these funds through the annual Budget Act. Federal funds are allocated to the member LEAs in the South East SELPA pursuant to the SELPA Budget Allocation Plan that is approved by the SELPA Governing Board.

Federal IDEA Part B Local Assistance Entitlement (Resource Code 3310)
The Federal IDEA Part B is distributed to LEAs based on prior year October Census Day Pupil Count of students served in SCCOE operated programs and current year ADA for students served in District operated programs.

Federal Preschool Grant (Resource Code 3315)
The Federal Preschool Grant is distributed to LEAs serving preschool students aged 3 - 5 years old.

Federal Preschool Staff Development (Resource Code 3345)

The Federal Preschool Staff Development Grant is distributed to LEAs serving preschool students aged 3 - 5 years old.
Alternative Dispute Resolution Code (Resource Code 3395)
The Alternative Dispute Resolution (ADR) grant has been awarded to the SELPA to support locally provided dispute resolution and prevention.

Conditions of Receiving Federal Funds

Maintenance of Effort (MOE)
Federal IDEA Part B funds shall only be used to supplement state, local and other federal funds and not supplant those funds. (E.C. 56841). Federal IDEA Part B funds shall not be used to reduce the level of expenditures for the education of students with disabilities made by LEAs, SELPAs and COEs from local funds below the level of those expenditures in the preceding fiscal year. There are allowable exceptions for reducing MOE.

The Special Education Maintenance of Effort (MOE) rule requires that the LEA spend the same or more in the test year as it did in its comparison year. This comparison year is the year in which the LEA *last met the MOE test*. This could be the immediate prior year, or this could be several years ago, going back as far as 2011-12. This is called the Subsequent Years Rule.

IDEA regulations require that recipients of IDEA funds, as a condition of assistance, certify that certain criteria are met. One criterion is the Maintenance of Effort (MOE) requirement, and the other is the Excess Costs test.
Excess costs are costs in the excess of the average annual-per-student expenditures (all resources) in an LEA during the preceding school year for an elementary or secondary school student. An LEA must meet the excess cost requirement by demonstrating that at least a minimum average amount has been spent on the education of its students with disabilities before funds under Part B of IDEA are used. Districts are required to annually submit Excess Cost reports to SELPA. SELPA will consolidate all reports and submit them to CDE.

Proportionate Share Calculations for Parentally Placed Private School Students
As a condition of receiving IDEA Federal Local Assistance dollars LEAs must spend a proportionate amount of their federal funds on parentally placed private school students. IDEA § 300.131 Child Find for Parentally-Placed Private School Children with Disabilities. *If an LEA has not expended for equitable services all of the funds by the end of the fiscal year for which Congress appropriated the funds, the LEA must obligate the remaining funds for special education and related services (including direct services) to parentally-placed private school children with disabilities during a carry-over period of one additional year.*

a. The student count shall be conducted on CALPADS census day of the prior year.
b. The student count shall be used to determine the proportionate amount of federal funds that the district of location must spend on providing special education and related services to private school students with disabilities in the year following the student count.
c. LEAs must track funds spent on services for parentally placed private school students, including consultation, professional development opportunities, and/or direct services, if any. The proportionate share cannot be used for the cost of conducting assessments. (Refer to IDEA Requirement to Spend Proportionate Amount on Parentally Placed Private School Students for allowable expenditures for the proportionate calculation.)

Attachments:

A. **Countywide Guiding Principles**
B. Attachments
    a. Santa Clara County Office of Education Special Education 2026-2027 Estimated Block Costs
    b. Santa Clara County Office of Education Housing Policy
    c. Santa Clara County Office of Education Facilities Costs
    d. Santa Clara County- San Andreas Regional Center (SARC)- SELPAs MOU
    e. Santa Clara County - California Children's Services - SELPAs MOU