



## East Valley Special Education Local Plan Area Fiscal Allocation Plan

### A. Statutory Requirement

California Education Law requires that a SELPA have a fiscal allocation plan to accompany its Local Plan that contains a methodology for distributing state and federal funds to the local education agency members of the SELPA.

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

### B. California's Master Plan for Special Education

The East Valley SELPA (EV SELPA) has used the following guidance from California's Master Plan for Special Education in the development of this fiscal allocation plan.

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

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

### C. Guiding Principles

The EV SELPA has adopted the following guiding principles:

1. SELPA members agree that all children with exceptional needs residing in this SELPA

- should be appropriately served.
2. In order to deliver appropriate services to all students, the SELPA members believe in everyone working together as a team for the good of all. The cooperation of the business offices and program departments is critical.
  3. Fairness and equity shall be the basis of the development of this Fiscal Allocation Plan.
  4. Federal and state revenues will flow directly from the state to the SELPA Administrative Unit which is the San Bernardino County Superintendent of Schools. In turn, the SELPA Administration will allocate the funds to SELPA members according to this Fiscal Allocation Plan.
  5. SELPA member local educational agencies (LEAs) will retain their own decision making on how to use their funds in serving students with disabilities based on needs outlined in their Individualized Education Programs (IEPs).
  6. This Fiscal Allocation Plan will be kept as simple as possible yet be flexible and useful in serving special education students.
  7. The distribution of funding will be understandable, predictable, and timely.
  8. SELPA members will commit to timely reporting and analysis of all relevant data necessary for the allocation and distribution of funds.
  9. This Fiscal Allocation Plan will be in legal compliance with federal and state laws.
  10. Disputes regarding this Funding Allocation Plan will be resolved at the lowest level possible with final appeal to the East Valley SELPA Board of Directors.

## **D. Revenue & Allocation (Funds Provided for Services to Students with Disabilities)**

### **I. State Aide or AB 602 Funds**

The California Department of Education provides AB 602 funding based on a rate per unit of Average Daily Attendance (ADA). Several funding sources contribute to the AB 602 funding model including district net funding entitlement (also known as the base), local special education property taxes, low incidence, and out-of-home care.

In addition, a SELPA may apply to the Extra-ordinary Cost Pool annually to offset costs. As part of AB 602 funding, the program reimburses SELPAs for extraordinary costs of single placements in nonpublic, nonsectarian schools (NPS), and special education and related services for pupils residing in licensed children's institutions (LCI). Single placement costs in excess of the annual threshold amount are reimbursed but the funds are subject to availability and require annual application to be considered for the funds. The EV SELPA applies annually for the funds submitting single placement information as required for each member LEA that has an eligible single placement. If awarded, the funds are transferred to the member LEA(s) identified in the award letter based on the single placement information.

In accordance with Education Code 2572, local special education property tax revenues are allocated to special education programs. The proportionate share of property tax for the EV SELPA is included in the funded base AB602 calculation and allocated to districts based upon funded ADA. Districts receive their proportionate share of the property tax through the AB 602 fiscal allocation model but the allocated property tax accounting transactions remain at San Bernardino County Superintendent of Schools (SBCSS) and are used in conjunction with the fees paid by districts participating in the SBCSS Fee-for Service regional programs.



Each member district receives its proportionate share of the AB 602 revenues based on the LEA's K-12 ADA percentage to the total K-12 ADA for all the SELPA members as stated in the steps below. The SELPA-members' allocation of the AB 602 funds is calculated by SELPA as follows:

**Step 1** The total amount of base AB 602 funds that the SELPA is entitled to receive will be determined by identifying the greater of the current, prior year, or prior prior year K-12 ADA for each district, taking those numbers and totaling them to determine a SELPA wide aggregate, and multiplying that aggregate by the statewide base rate per ADA. This will then be adjusted by adding authorized COLA on statewide factors as well as any supplements or re-certifications as authorized by the state.

**Step 2** Eighty-five percent (85%) of the total low incidence funds will be added proportionately for each district based on the district's low incidence pupil count of students with a primary or secondary low incidence disability the prior October (P-1 certification data). Fifteen percent (15%) of these funds is retained at the EV SELPA in the Low Incidence Fund and accessed by member districts per the "*EV SELPA Low Incidence Guidelines and Procedures*." The guidelines and procedures, which provide accountability of how the funds are used, are developed, and reviewed by the EV SELPA Low Incidence Committee consisting of representatives from the member districts and SBCSS.

**Step 3** One hundred percent (100%) of the out-of-home care funds described below provided for students residing in a licensed children's institution (LCI), Foster Family Home (FFH), public hospital, state licensed children's hospital, psychiatric hospital, proprietary hospital, or a health facility for medical purposes will be added for each district of residence based on the counts taken by and provided by CDE.

**Step 4** The sum of these steps will be each LEA's net AB 602 allocation.

## **II. State SELPA Regionalized Services and Program Specialist (RS/PS) Funds**

The Base State Aid funding includes a regional services/program specialists apportionment (RS/PS Funds) to fund the SELPA operations. The state calculates this amount based on 2013-2014 rates with annual COLAs applied, when appropriate. The RS/PS funds are set aside to fund the SELPA operations.

## **III. Federal & State Grants**

The following grant funds are added to each SELPA-member LEA's total revenue allocation:

1. The Local Assistance Entitlement is a federal grant that funds special education programs for students age 3 to 21. Prior to 2018-2019, the grant was dispersed in two separate grants, the preschool Local Assistance Entitlement and Local Assistance Entitlement. The local Assistance Entitlement is distributed to SELPA-member LEA's based on their prior year age 3- to 21-year- old special education pupil count.
2. The SELPA calculates the required Private School Proportionate Share for each LEA member based on the federal formula which is included in the Local Assistant Entitlement. The LEA must utilize these funds for the provision of special education services to or on behalf of students with disabilities enrolled in private schools. Funds must be expended within the time period of the current grant award.

3. The SELPA receives four federal grants to fund preschool/infant services: the Federal Preschool Grant, the Infant/Preschool Staff Development Grant, the Part C Early Intervention Grant, and the Infant Discretionary Grant. The Federal Preschool Grant funds are distributed to the SELPA-member LEA's and SBCSS based on their prior year 3- to 5-year-old special education pupil count. The EV SELPA retains 5% of the Preschool Grant to fund regionalized services and program specialist services to support preschool services in all of its member districts. The Part C Early Intervention Grant funds are distributed to the SELPA-member LEA's and SBCSS based on their prior year 3- to 5-year-old special education pupil count. The Infant Discretionary Grant is split between SBCSS EV Ops (80%) and Redlands (20%).
4. The SELPA receives two sources to fund mental health services. One grant is a federal grant, the Mental Health Services grant. The other is state funding via AB 114. The federal grant is funded based on 3- to 21-year-old pupils and distributed to SELPA-member LEAs based on their prior year age 3- to 21-year-old special education pupil count. The other is state funded via AB 114. *It is provided in installments as determined by CDE and distributed to SELPA member LEAs based on prior year P-2 counts of 6-21-year-old pupils.*
5. Infant Program Entitlement – The California Department of Education makes available funds to SELPAs to fund infant programs based on units initially allocated to programs in a 1980 mandate (30 EC 56425). Budget Acts since have not provided a growth appropriation for the Infant Program. The Infant Program Entitlement is split between SBCSS EV Ops (80%) and Redlands (20%). In addition, SBCSS EV Ops provides infant program services to Fontana Unified School District based on an agreement between EV Ops and Fontana USD established when Fontana USD became a single-district SELPA and left the EV SELPA. Fontana USD reimburses EV Ops for the services.

***The AB 602 funds and Federal/State Grant funds combine to make the TOTAL REVENUE and its ALLOCATION for the EAST VALLEY SELPA and its member districts.***

## **E. Expenditures (Shared Costs to Provide Services to Students with Disabilities)**

### **I. SELPA Administrative, Regionalized and Program Specialist Services**

Each SELPA is required to dedicate a portion of the funds it receives pursuant to Section 56836.10 for regionalized operations and services and the direct instructional support of program specialists. The SELPA Administration provides both legally required services and those services designated by the East Valley SELPA Board of Directors. As described above the Base State Aid funding includes a regional services/program specialists apportionment to fund the SELPA operations. The state calculates this amount based on 2019-2020 counts and 2013-2014 rates with annual COLAs, when provided. In addition, the East Valley SELPA Board of Directors has authorized a percentage of the Base State Aide be taken off-the-top to adequately fund the SELPA operations. A percentage is determined based on projected operating expenditures. The percentage is re-evaluated and approved annually by the SELPA Board of Directors.



## **II. Student Information System/WebIEP**

The East Valley SELPA contracts with Faucette Micro Systems for the development and maintenance of the WebIEP and IEP forms, as well as the development and maintenance of software required for member districts to submit student data to CALPADS and to monitor compliance. The costs are shared proportionately by the districts at year-end based on current year October Pupil Count.

## **III. SELPA Off-the-Top Regional Program**

The East Valley SELPA Board of Directors has authorized a SELPA Off-the-Top Regional Program, Residential Mental Health Oversight, to support services to students in member districts. The program is funded using the following off-the-top methodology.

1. Funding is provided by member districts to the SELPA from State Base Aid prior to distribution of the base aid to districts (i.e. off-the-top).
2. Total costs are calculated from the staffing costs for the program.
3. Percentage applied based on the LEA's K-12 ADA percentage to the total K-12 ADA for the SELPA.

## **IV. SELPA Proportionate Share Regional Programs**

The East Valley SELPA Board of Directors has authorized SELPA Proportionate Share Regional Programs to provide direct services to students in member districts. The programs are Mental Health Behavioral Counseling, Occupational Therapy, and Physical Therapy/Low Incidence Assessments.

### **A. The SELPA Proportionate Share Occupational Therapy Program is funded as follows:**

1. Funding is provided by member districts to the SELPA from State Base Aid prior to distribution of the base aid to districts (i.e. off-the-top).
2. Total costs are calculated from the staffing costs for the program.
3. Service counts are taken in November and April.

### **B. The SELPA Proportionate Share Mental Health Behavior Counseling and Physical Therapy/Low Incidence Assessment Programs are funded as follows:**

1. Funding is provided by member districts to the SELPA from all special education revenue sources (i.e. State Base Aid, Federal Grants, District Contributions) after distribution of the funds to districts.
2. Total costs are calculated from the staffing costs for the programs.
3. Service counts are taken in November and April.

## **V. San Bernardino County Superintendent of Schools – East Valley Operations (SBCSS EV-Ops) Fee-for-Service Regional Programs**

San Bernardino County Superintendent of Schools East Valley Operations (SBCSS EV-Ops) operates a regional program to address specialized student program needs for the member districts of the EV SELPA. Regional program placement and services are provided at the request of member districts based on student individual education program (IEP) decisions. Districts follow the required procedures contained in the San Bernardino County Superintendent of Schools COUNTY REFERRAL documents to place students in or receive services from the SBCSS EV-Ops FFS Regional Program.



The SBCSS EV-Ops regional program is funded via a Fee-for-Service mechanism. Rates are set for the following:

SBCSS EV-Ops Rate Categories

1. SDC Inclusive (SAI, LSH, APE, SHL, VOC – all related to high school transition)
2. Low Incidence (DHH, O&M, VI)
3. 1:1 Aide Services
4. Intensive Therapeutic (Behavior Counseling)

The Fee-for-Service Rates for each category are presented annually by April 15 to the EV SELPA Steering Committee by SBCSS fiscal staff to determine future year's costs. Recommendations to set the annual Fee-for-Service costs are submitted to the Board of Directors to take action each May for the following year. SBCSS EV-Ops revenue projections are based on revenue being distributed to SBCSS from the SELPA-wide AB 602 K-12 revenue PRIOR TO any per ADA distribution to LEAs (i.e., "off the top") The Fee-for-Service revenue funds the programs at 100% of the cost of operation.

## **VI. Proposed or Modified Regional Program Requirements**

SBCSS EV-Ops, EV SELPA, or any member district of the EV SELPA may propose to operate another specialized regional program but must adhere to the approved budget, program design, including staff: student ratio, daily/annual length of operation, curriculum, support systems/support staff, and staff development as prescribed under the East Valley SELPA Local Plan. In addition, any current regional program may be proposed for program modification by the program operator. Both newly proposed and modified regional programs must be reviewed annually by March 15 by the EV SELPA Steering Committee. Any recommended changes or new regional programs for the next fiscal year must be presented to the Board of Directors for approval by May 31.

## **VII. Nonpublic School (NPS) Costs**

The EV SELPA, on behalf of its member districts, contracts with nonpublic schools (NPS) and residential facilities. NPS expenditures are brokered through the SELPA office and via the regional Inland Empire SELPA Association (IESA). In addition, the EV SELPA processes all related invoices and provides payments on behalf of its member districts. NPS contract costs for tuition, mental health services and residential placements, per the students' IEPs, are paid by the EVSELPA on behalf of the districts. The EV SELPA bills the districts on a quarterly basis for all actual costs paid. The EV SELPA reports the quarterly billing transfers in regularly scheduled EV SELPA Steering Committee meetings.

## **VIII. East Valley SELPA Legal Fund**

The EV SELPA Board of Directors authorizes the EV SELPA to create, maintain and monitor a legal fund for specific costs resulting from Office of Administrative Hearing filings. The legal fund costs are shared by the member districts based on current year October special education pupil count. The specific legal support related costs are detailed in the EV SELPA Board of Directors approved document entitled, "Funded by EV SELPA Legal X-Pot/Funded by District."

## **IX. California Children's Services (CCS) – Medical Therapy Units (MTUs)**



Chapter 26.5 of the Government Code (Section 7570-7587) and Title 2 of the California Code of Regulations, Division 9, Chapter 1, Article 1, sections 60000-60610 requires the SELPA and its member districts provide support to CCS medical therapy units (MTU) housed in the East Valley region. Expenditures include office supplies, facilities related maintenance costs, including janitorial, and utilities. The fund is maintained by district annual contributions based on current year October special education pupil count.

## **X. Intra/Inter SELPA Transfers and Services**

Member districts of the EV SELPA may elect to engage in an interagency transfer agreement for the provision of special education services to a student with a disability in a setting outside of the student's LEA and/or SELPA of residence. A transfer between districts within the EV SELPA is an intra-SELPA transfer, and a transfer to between SELPAs is an inter-SELPA transfer. To do so, the East Valley SELPA "Intra-SELPA/Inter-SELPA Transfer Agreement" procedures must be followed. These procedures require the SELPA administrator's approval. Costs are determined based on respective fee-for-service rates established by the service provider and charged to the district of residence at year-end via a cash transfer.

## **F. Monitoring the Appropriate Use of State Aid, Federal & State Grants**

### **I. IDEA Local Assistance Funding Federal Restrictions and Requirements**

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

#### **§ 1413. Local educational agency eligibility**

##### **(a) (2) Use of amounts**

##### **(A) In general**

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

- (i) shall be used only to pay the excess costs of providing special education and related services to children with disabilities.
- (ii) shall be used to supplement State, local, and other Federal funds and not to supplant such funds; and
- (iii) shall not be used, except as provided in subparagraphs (B) and (C), to reduce the level of expenditures for the education of children with disabilities made by the local educational agency from local funds below the level of those expenditures for the preceding fiscal year.

## **II. Maintenance of Effort (MOE) Policy**

The EV SELPA recognizes the intent of the federally mandated maintenance of effort (MOE) requirement to ensure the provision of appropriate services for students with disabilities. In signing the Local Plan, the governing board of each East Valley SELPA local education agency (LEA) has adopted an assurance statement regarding the maintenance of local financial effort relative to the receipt of federal special education funds. Pursuant to these locally adopted assurance statements, it is the expectation that all local education agencies (both combined as a whole and as individual LEA members) of the SELPA shall meet the maintenance of effort requirement on



each fiscal year.

MOE regulations require that federal funds be used only to pay the excess costs of providing special education and related services to children with disabilities and to supplement and not supplant state and local funds for special education (34 Code of Federal Regulations §300.203-300.205). CDE monitors MOE compliance based on each SELPA's and member districts' individual and aggregated fiscal data. MOE compliance is met if total special education expenditures from State and Local funds are at least equal to, or greater than, prior year. The EV SELPA and its member districts will follow the procedures outlined in the EV SELPA Fiscal Procedures Handbook to determine MOE compliance.

### **III. Annual Budget Plan**

The EV SELPA is required to develop a SELPA Annual Budget Plan each spring. The Plan must be displayed at a public hearing, approved by the EV SELPA Board of Directors, provided to CDE by June 30 of each year, and posted on the SELPA and each member districts' websites. The SELPA Annual Budget Plan shall include allocation projections for all SELPA-member LEAs. Based on those projections, budget plans are developed by each LEA for both current year and budget year expenditures for all federal, state, SELPA, and LEA funds provided for special education.

Aggregated SELPA information shall be presented in a form that is understandable to the general public.

### **IV. SELPA Budget Development**

The EV SELPA Board of Directors requires the development and approval of a SELPA operating budget annually. The following procedure is adhered to in making changes to the budgetary allocations:

#### **First Step**

The EV SELPA fiscal consultant in collaboration with the EV SELPA administrator develops a proposed budget based on budget assumptions provided by the SELPA's administrative unit, SBCSS.

#### **Second Step**

The EV SELPA Board of Directors Budget Ad Hoc Committee, made up of two Board members appointed by the Board at the regularly scheduled February meeting, reviews and advises the SELPA on the budget requesting any needed revisions.

#### **Third Step**

The EV SELPA Board of Directors Budget Ad Hoc Committee recommends the budget for approval to the EV SELPA Board of Directors at a regularly scheduled meeting in the spring prior to the upcoming school year.

#### **Fourth Step**

The EV SELPA Board of Directors formally takes action on the proposed budget at a regularly scheduled meeting in the spring prior to the upcoming school year.

### **V. Distribution of Assets**

Withdrawal from membership of the East Valley SELPA shall not entitle a member LEA to any partition of the property held by the East Valley SELPA or return of contributions toward the acquisition of such property.