
SENATE COMMITTEE ON EDUCATION

Senator Carol Liu, Chair
2015 - 2016 Regular

Bill No: SB 1071
Author: Allen
Version: February 16, 2016
Urgency: No
Consultant: Lynn Lorber
Hearing Date: April 20, 2016
Fiscal: Yes

Subject: Special education funding: preschool-age individuals with exceptional needs

SUMMARY

This bill requires, upon an appropriation in the Budget Act, a permanent one-time adjustment to the base funding calculation for each special education local plan area to support special education and related services for three and four year old preschool children with exceptional needs.

BACKGROUND

Existing law:

- 1) Establishes a funding mechanism for special education (known as AB 602 funding) that is based on the average daily attendance of K-12 students within each special education local plan area (SELPA).
- 2) Requires the Superintendent of Public Instruction to make specified computations to determine the amount of funding for each SELPA. (Education Code § 56836.08, et seq.)

The annual Budget Act funds the State Preschool Program to provide both part-day and full-day services to eligible three and four-year old children.

The 2015 Budget Act included funding to add 2,500 part-day preschool slots with priority for state preschool contractors that intend to use these slots to increase access for children with exceptional needs.

The federal Preschool Grants program provides formula grants to States for the provision of special education and related services for children with exceptional needs age 3-5.

ANALYSIS

This bill requires, upon an appropriation in the Budget Act, a permanent one-time adjustment to the base funding calculation for each SELPA to support special education and related services for three and four year old preschool children with exceptional needs. Specifically, this bill:

- 1) Requires, upon an appropriation in the Budget Act, a permanent one-time total adjustment to the base funding calculation for each special education local plan area (SELPA) to support special education and related services as required pursuant to a child's individualized education program, for three and four year old preschool children with exceptional needs.
- 2) Requires the Superintendent of Public Instruction, beginning with an unspecified fiscal year, to use the following formula to compute an apportionment for each SELPA:
 - a) Divide the dollar amount appropriated in the Budget Act for this purpose by the December 2015 count of three and four year old children with exceptional needs throughout the state to establish a preschool per-pupil rate.
 - b) Multiply the amount in (a) by each SELPA's December 2015 count of three and four year old children with exceptional needs. This bill requires the produce of this amount to be added to each SELPA's base calculation as a permanent adjustment.
- 3) States legislative findings and declarations relative to the increase in the population of preschool-age students with exceptional needs, and the adoption of a state funding mechanism for these students being necessary to establish new or expanded high-quality preschool programs.

STAFF COMMENTS

- 1) ***Need for the bill.*** According to the author, "Currently, the Individuals with Disabilities Education Act (IDEA) requires school districts to provide educational services to preschool-age children with disabilities but the state does not provide dedicated funding for these services. As a result, school districts use K-12 Local Control Funding formula dollars and other local education funds to backfill these costs. During the 2013-14 school year, school districts reported through their regional special education agencies expenditures of more than \$490.7 million on legally mandated services to preschool age three and four-year old children with disabilities, and reported receiving only \$97 million from federal grants to cover the costs, leaving a hole of nearly \$400 million that was covered using other local education funds."
- 2) ***Existing sources of funding.*** Local educational agencies currently use a variety of funds to provide special education and related services to preschool children with exceptional needs. Such funds include:
 - a) Federal funding specifically for preschool children with exceptional needs (totaling \$97 million in 2014-15).
 - b) State funding for the State Preschool Program, which serves children with and without disabilities (totaling approximately \$884 million in 2015-16).

- c) State AB 602 funds for special education and related services for K-12 students (these funds are based on the average daily attendance; children in preschool do not generate ADA).
- d) State funds for the local control funding formula (Proposition 98).

The 2015 Budget Act included \$12 million to add 2,500 part-day preschool slots, with priority for state preschool contractors that intend to use these slots to increase access for children with exceptional needs.

- 3) **Special Education Task Force.** The Statewide Task Force of Special Education was established for the purpose of studying why students with disabilities were realizing poor school and postsecondary outcomes, identifying the barriers to better performance, and providing recommendations for how to change the state's system of education so it would better serve all students. The task force released a comprehensive report in March 2015, titled *One System: Reforming Education to Serve ALL Students*. This bill addresses recommendations included in the task force report; specifically, the Finance Subcommittee Report recommended that an additional \$150 million be provided to special education local plan areas in the form of a supplemental grant for preschool children with disabilities. This would equate to approximately \$3,000 for each preschool child with disabilities identified as needing special education services. <http://www.smcoe.org/assets/files/about-smcoe/superintendents-office/statewide-special-education-task-force/Final%20Finance.pdf>
- 4) **Pending report.** The Public Policy Institute of California has just recently begun to conduct a study of the state's special education finance system. A report related to that study is expected this Fall, and could help inform the development of a funding stream specifically for special education and related services for three and four year old preschool children with exceptional needs.
- 5) **How many children?** This bill requires the apportionment to be based upon the December 2015 count of three and four year old children with exceptional needs throughout the state. According to the California Department of Education, the December 2014 count found 47,530 children.
- 6) **Which fiscal year?** This bill requires the Superintendent of Public Instruction, beginning with an unspecified fiscal year, to compute an apportionment for each special education local plan area. According to the author, the specific fiscal year will be identified once more information is available with regard to an appropriation in the Budget Act.
- 7) **Fiscal impact.** This bill calls for a permanent one-time adjustment to the base funding calculation for each special education local plan area. Based on the formula for calculating this adjustment, the initial cost should be approximately \$150 million. Building this adjustment into the base would result in on-going annual costs of \$150 million.

SUPPORT

Alameda Unified School District
Albany Unified School District
Association of California School Administrators
California Association of School Business Officials
California School Funding Coalition
Clovis Unified School District
Coalition for Adequate Funding for Special Education
Contra Costa County Office of Education, Director of Special Education
Contra Costa Special Education Local Plan Area (SELPA)
Davis Joint Unified School District, Director of Special Education
East San Gabriel Valley SELPA
Fresno County SELPA
Greater Anaheim SELPA
Humboldt-Del Norte SELPA
Manhattan Beach Unified School District, Children's Services
Merced County SELPA
North Inland Special Education Region
North Region SELPA
Northeast Orange County SELPA
Oak Park Unified School District
Palo Alto Unified School District
Palo Alto Unified School District, Division of Student Services
Placentia-Yorba Linda Unified School District, Educational Services
Pomona Unified School District, Special Education Department
Redondo Beach Unified School District, Office of Educational Services
Riverside County Superintendent of Schools
Rocklin Unified School District
Romoland School District, Director of Pupil Services
Sacramento City Unified School District
San Diego South County SELPA
Sanger Unified School District, Director of Pupil Personnel Services
San Juan Unified School District, Special Education Department
San Luis Obispo County SELPA
Santa Clara Unified School District, Director of Special Education
Santa Clarita Valley SELPA
SELPA Administrators of California
Stockton Unified SELPA
Stockton Unified School District, Special Education Department
Torrance Unified School District
Tri-City SELPA
Tuolumne County Superintendent of Schools, Director of Special Education and SELPA
Ukiah Unified School District, Director of Special Education
Ventura County SELPA
West Contra Costa Unified School District, Special Education Department
West End SELPA
West Orange County Consortium for Special Education
West San Gabriel Valley SELPA
Willits Unified School District, Director of Special Education

Yolo County Office of Education
Yolo County SELPA

OPPOSITION

None received.

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