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Special Education: Funding Equity

The Problem

In 2014-15, California schools spent more than \$12 billion on Special Education services with most of the costs being borne by school districts. According to the Getting Down to Facts II technical report Revisiting Finance and Governance Issues in Special Education, in 2014-15 Proposition 98 supplied \$3.2 billion specifically for special education, and the federal government provided \$1.2 billion. This left school districts to come up with the remaining \$7.6 billion, or 63% of the overall cost, in order to provide their students with the appropriate special education services (2018)¹. Special education services are state and federally mandated, however, state and federal funding has simply not kept pace with skyrocketing special education costs, which are suffocating school district budgets.

Educate, then advocate.

Special education is California's largest K-12 education categorical program and serves more than 750,000 children with disabilities. Special education is one of the only categorical programs not included in the Local Control Funding Formula, and is instead funded through a formula referred to as AB 602

As part of the AB 602 funding formula, California requires all school districts to join a Special Education Local Plan Areas. Most SELPA's serve multiple school districts. Currently, there are more 130 SELPA's in California. Some SELPA's serve multiple school districts, some school districts that run their own SELPA, and others SELPA's exclusively serve charter schools².

In 1998, California began to fund special education based on the total number of students that make up each SELPA. This funding formula, known as the AB 602 formula, does not consider the number of students being served by special education programs, the severity of the disabilities of those students, or what types of services those students receive. When the AB 602 system was first introduced, the state set each SELPA's per student funding rate equal to its total funding in the last year under the prior system, divided by its total student population in that year³. Because funding rates varied notably under the prior system, the rates established under AB 602 also varied, resulting in California trading one flawed system for another.

Current funding for special education ranges from about \$470 to more than \$1,100 per student⁴. This means that students living in Sacramento or San Bernardino receive half of what students in Marin or Sierra County receive. AB 602 was based on the assumption that students with disabilities are fairly equally distributed in the student population. There is no rational reason for the variance of SELPA base rates. This disparity, along with the overall level of special education funding, needs to be rectified.

1: Getting Down to Facts II – Revisiting Finance and Governance Issues in Special Education

2: Getting Down to Facts II – Revisiting Finance and Governance Issues in Special Education

3: Getting Down to Facts II – Revisiting Finance and Governance Issues in Special Education

4: Getting Down to Facts II – Revisiting Finance and Governance Issues in Special Education



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ACSA's Position

ACSA supports special education reform that ensures accountability, maintains local control, and provides funding that recognizes the growing number and increased severity of students identified with special needs. ACSA believes it is time for California to address the glaring inequities in the current special education funding model and begin the process of equalizing funding to ensure our most vulnerable student needs are met, which is why ACSA strongly supports AB 428 (Medina).

We strongly urge all ACSA members to explain (from your perspective) how rising special education costs affect all students. If additional funding was dedicated to cover or reduce local special education costs, what innovative programs or services could be implemented to address student needs? ACSA members are impacted by the budget constraints created by low levels of special education funding, and each perspective is important in understanding the widespread impact on students.

AB 428 would:

- Equalize base AB 602 funding rates to the 95th percentile
- Establish a funding formula within AB 602 for programs serving preschoolers with disabilities
- Create a high cost service allowance to provide additional funding for students with significant high-cost disabilities
- Allow school districts to calculate a declining enrollment adjustment based on individual school district ADA rather than SELPA enrollment

Additional funding for special education will help the state's most vulnerable and at risk children while providing breathing room for Local Educational Agencies to address other special education challenges, including teacher and para-professional staff shortages, staff professional development, and local alternative dispute resolution.

We encourage you to invite legislative members and staff to visit special education programs in their legislative districts to see in-person, how their vote will affect the lives California students.