



Contra Costa County Office of Education

Special Education Review

January 29, 2010

Joel D. Montero
Chief Executive Officer



CSIS California School Information Services

January 29, 2010

Joseph A. Ovick, Ed.D. Superintendent
Contra Costa County Office of Education
77 Santa Barbara Road
Pleasant Hill, California 94523

Dear Superintendent Ovick:

In August 2009, the Contra Costa County Office of Education entered into an agreement with the Fiscal Crisis and Management Assistance Team (FCMAT) for FCMAT to perform the following:

- a. Review allocation funding model and compare with other comparable SELPAs and make recommendations, if necessary to improve equitable allocations to all districts.
- b. Review governance structure of SELPA and make recommendations for improving communication, transparency and improved decision making.
- c. Review regionalized dollars and how they are disseminated by the SELPA
- d. Review roles and responsibilities of program specialists, how they are assigned. Make recommendations on how to improve and maximize program specialist dollars and services.
- e. Review how districts operate collaboratively within the SELPA with regards to accessing resources and support.
- f. Review how staff development is provided to district staff on an equal basis throughout the county.
- g. Review SELPA Policies to assure they are current and consistent with federal and state laws.
- h. Review staffing and caseloads of programs and make recommendations on efficiency. Review all COE programs and random sample of some district programs.
- i. Review 1-1 aide policy, procedures and staffing ratios and determine whether process is effective and make recommendations to improve efficiency and effective use of assigned aides to special education.
- j. Review county-operated programs and determine whether some programs would be more cost effective if operated by districts. Determine capacity of districts to operate additional programs (such as facilities, staffing). The attached report contains the study team's findings and recommendations.

FCMAT

Joel D. Montero, Chief Executive Officer

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This report contains FCMAT's findings and recommendations regarding these areas.

On behalf of FCMAT we appreciate the opportunity to serve you, and we extend our thanks to all the staff of the Contra Costa County Office of Education for their cooperation and assistance during fieldwork.

Sincerely,

A handwritten signature in black ink, appearing to read 'Joel D. Montero', with a large, stylized initial 'J' and 'M'.

Joel D. Montero
Chief Executive Officer

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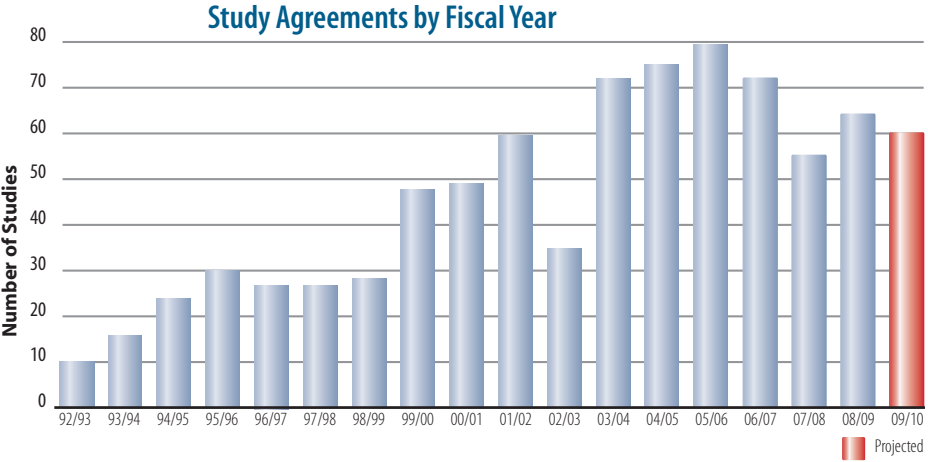
Foreword - FCMAT Background

The Fiscal Crisis and Management Assistance Team (FCMAT) was created by legislation in accordance with Assembly Bill 1200 in 1992 as a service to assist local educational agencies (LEAs) in complying with fiscal accountability standards.

AB 1200 was established from a need to ensure that LEAs throughout California were adequately prepared to meet and sustain their financial obligations. AB 1200 is also a statewide plan for county offices of education and school districts to work together on a local level to improve fiscal procedures and accountability standards. The legislation expanded the role of the county office in monitoring school districts under certain fiscal constraints to ensure these districts could meet their financial commitments on a multiyear basis. AB 2756 provides specific responsibilities to FCMAT with regard to districts that have received emergency state loans. These include comprehensive assessments in five major operational areas and periodic reports that identify the district’s progress on the improvement plans.

In January 2006, SB 430 (charter schools) and AB 1366 (community colleges) became law and expanded FCMAT’s services to those types of LEAs.

Since 1992, FCMAT has been engaged to perform nearly 750 reviews for local educational agencies, including school districts, county offices of education, charter schools and community colleges. Services range from fiscal crisis intervention to management review and assistance. FCMAT also provides professional development training. The Kern County Superintendent of Schools is the administrative agent for FCMAT. The agency is guided under the leadership of Joel D. Montero, Chief Executive Officer, with funding derived through appropriations in the state budget and a modest fee schedule for charges to requesting agencies.



Total Number of Studies.....	743
Total Number of Districts in CA.....	1,050
Management Assistance.....	705 (94.886%)
Fiscal Crisis/Emergency	38 (5.114%)
Note: Some districts had multiple studies.	
Eight (8) districts have received emergency loans from the state (Rev. 12/8/09)	

Introduction

Background

The Contra Costa County Office of Education is located in Northern California and serves approximately 160,000 students in 18 school districts, each with an elected governing board and superintendent. The county superintendent of schools and staff support local school districts by providing special and alternative education programs, supplemental programs, budgetary oversight and technical assistance.

In September 2009, the county office requested that FCMAT assist the district by performing the following.

- a. Review allocation funding model and compare with other comparable SELPAs and make recommendations, if necessary to improve equitable allocations to all districts.
- b. Review governance structure of SELPA and make recommendations for improving communication, transparency and improved decision-making.
- c. Review regionalized dollars and how they are disseminated by the SELPA.
- d. Review roles and responsibilities of program specialists, how they are assigned. Make recommendations on how to improve and maximize program specialist dollars and services.
- e. Review how districts operate collaboratively within the SELPA with regards to accessing resources and support.
- f. Review how staff development is provided to district staff on an equal basis throughout the county.
- g. Review SELPA policies to assure they are current and consistent with federal and state laws.
- h. Review staffing and caseloads of programs and make recommendations on efficiency. Review all COE programs and random sample of some district programs.
- i. Review 1-1 aide policy, procedures and staffing ratios and determine whether process is effective and make recommendations to improve efficiency and effective use of assigned aides to special education.
- j. Review county-operated programs and determine whether some programs would be more cost effective if operated by districts. Determine capacity of districts to operate additional programs (such as facilities, staffing).

Study Team

The study team was composed of the following members:

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*As members of this study team, these consultants were not representing their respective employers but were working solely as independent contractors for FCMAT.

Study Guidelines

FCMAT visited the district November 9-11 to conduct interviews, collect data and review documents. This report is the result of those activities and is divided into the following sections:

- I. Executive Summary
- II. Allocation Model
- III. SELPA Governance Structure
- IV. Regionalized Dollars: Program Specialists and Coordinators
- V. Collaboration with the SELPA
- VI. Staff Development
- VII. SELPA Policies
- VIII. Staffing and Caseload
- IX. One-to-One Aides
- X. Transfer of Programs
- XI. Appendices

Executive Summary

The Contra Costa Special Education Local Plan Area (SELPA) allocation model provides an equitable distribution of available resources and ensures that each local educational agency (LEA) has a stable and reliable fiscal basis for financial planning. However member districts have expressed concerns about the model's implementation.

The SELPA's member districts expressed specific concerns about the SELPA's communication, openness and decision making. Through a joint powers agreement, Contra Costa SELPA members designate a Governance Council as the SELPA governing body. Composed of six voting superintendents and one nonvoting member of the Community Advisory Committee, the Governance Council adopts policies and administrative procedures on personnel, approves budget allocations, and approves administrative contracts for 15 member districts on a representative basis. The SELPA is considering revising its governance structure by incorporating all 15 superintendents into the Governance Council and implementing a weighted vote based on average daily attendance. Two options for incorporating weighted votes are included later in this report.

In interviews with SELPA members, the districts also indicated there are issues regarding the use of regionalized service dollars and the roles and responsibilities of program specialists and coordinators. Areas such as centralized and decentralized program specialist services, staffing and support levels and district expectations should be thoroughly reviewed and any warranted modifications considered in the budget allocations for all participating districts.

The SELPA and districts have a well established, successful practice of undertaking collaborative efforts such as alternative dispute resolution, staff development and assistive technology. Several districts have requested support in identifying and obtaining a computerized Individualized Education Program (IEP) system throughout the SELPA. This would increase district efficiency and enhance the ability to provide services to transferring students in a timely manner.

SELPA policies were found to be consistent with state and federal laws for students with disabilities. Policy 3100 should be modified to allow for greater understanding and clarity regarding the SELPA allocation funding model.

Staffing and caseloads for the programs operated by the Contra Costa County Office of Education operate efficiently and consistently with other county offices throughout the state. FCMAT recommends that the county office make one staffing reduction in adapted physical education (APE).

The SELPA has established clearly defined guidelines for the use of one-to-one instructional aides; however, the guidelines are not applied consistently throughout the SELPA. Although the SELPA has provided training, some districts have not attended

training in the effective use of the guidelines. The use of one-to-one aides can have a significant impact on the encroachment of special education operational costs on districts' general funds. The SELPA Governance Council should consider supporting additional training at the district level in this area.

Staff interviews from both the participating districts and the county office indicated there is minimal interest in transferring programs from the county office to local districts. The costs for special education programs and services are lower than similar programs offered throughout the state based on comparable data provided by the statewide SELPA organization and reviewed by FCMAT.

Findings and Recommendations

Allocation Model

Eighty-five of the state's 124 Special Education Local Plan Areas (SELPA) are composed of two or more local education agencies. Each SELPA is responsible for defining and implementing an allocation plan for distributing to its member agencies AB 602 state aid funding and local assistance funding from the Individuals with Disabilities Education Act (IDEA) Part B. The AB 602 funding model replaced and simplified the previous J-50 funding model in fiscal year 1998-99 for special education funding with the legislative intent of ensuring greater equity in funding among SELPAs. These resources help local education agencies pay some of the excess costs associated with providing special education services to disabled students.

In January 1974, the California State Board of Education adopted the California Master Plan for Special Education. While much has changed over the last 36 years, the underlying purpose of the fiscal model remains essentially intact and provides detailed guidance as follows:

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 special 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.

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, Pages 36-37) emphasis added

No two multiagency SELPAs are identical. Each SELPA uses its own demographic, socioeconomic, and political considerations to address concerns such as equality of educational opportunity, programs and services of equal quality, and equity in support levels. There is no single and correct way to construct a SELPA funding model.

Of equal importance is the SELPA's responsibility to continuously analyze its funding model to ensure that the resources are used effectively and provide equal opportunity and quality as well as equity of support. AB 602 was enacted to provide SELPAs with a state funding model that permitted flexibility in its application and allowed SELPAs to make any needed changes.

Contra Costa SELPA Policy 3100, Special Education Resource Allocation, opens with the following statement:

It is the responsibility of each member LEA and the SELPA to assure a free and appropriate education for each special education pupil residing within its geographical boundaries. This responsibility shall be met by direct provision of services, establishing an agreement with another public education agency, or contracting with non-public school and agencies. The allocation plan for distribution of resources must recognize the responsibility for all children in the SELPA while addressing the need to equitably share resources among the districts and county office of education. The allocation process and procedures are for the distribution of available resources and are not a restriction of services to be provided for eligible pupils.

This paragraph should include the guiding principles that the SELPA director provided to the SELPA's Resource Allocation Policy Subcommittee at its initial meeting on April 30, 2008. They are as follows:

The allocation plan is the means by which the SELPA distributes funds it receives from county property taxes, state, and federal sources to the local educational agencies for the purpose of assistance in paying the excess costs of providing special education services.

It should be kept in mind that these are "communal monies" and are not the "private property" of the recipient. Each member has a legitimate stake in the equitability of the allocations and in how other members use the resources.

The guiding principle should be that no member accrues undue benefit at the expense of other members. Thus, the allocation model must be fair, equitable, and transparent to all members.

These statements clearly articulate the purpose of a SELPA's allocation plan. However superintendents, special education administrators, and business staff members repeatedly indicated that the allocation model was excessively detailed and not clearly understood.

This is the result of the high turnover experienced by the SELPA in several top leadership positions over the last decade and a lack of proper documentation regarding changes to the allocation and implementation model.

The SELPA allocation model provides an equitable distribution of available resources and ensures that each LEA has a stable and reliable fiscal basis for financial planning. However there are concerns regarding the model's implementation. Successful collaboration requires documented planning, which is fostered through effective communication and board-approved changes to the implementation and funding model.

As shown in the following section, the Education Code requires that the annual budget plan address the use of these property taxes, but Policy 3100 does not cover this area.

56205(a)(1)(G) The use of property taxes allocated to the special education local plan area pursuant to Section 2572.

2572. The product computed pursuant to subdivision (c) of Section 2571 is the amount of property tax revenues to be allocated to special education programs. This amount shall be subtracted pursuant to subdivision(c) of Section 56836.08.

Procedure 1 describes how the LEA's relative percentage of the SELPA's total CBEDS is calculated. However, as shown in the following excerpt, the policy does not indicate how that percentage is to be used and to what funds it should apply.

CBEDS data collected in October of the prior school year for each LEA shall be used to determine each LEA's percentage of the SELPA's total CBEDs.

Procedure 6 covers the funding of district-specified services provided by the county office. These are services that the county office provides to districts, students with low-incidence disabilities, and students placed in juvenile court schools.

Procedure 9 describes the process for determining the fiscal resources to be distributed according to the SELPA allocation model as follows:

Deduct from the current year's total Dollars Available resources provided by the State for the SELPA, the socio-economic factor, the small LEA allocation, the County Specific LEA Service allocation, the guaranteed supplement to the County, the LCI allocation, preschool allocation, and Program Flexibility allocation to determine the total revenue available for LEA Allocation.

Procedure 12 in Policy 3100 refers to a fee for service and provides a process for annually determining the fee for students in special classes operated by the county office.

The total dollars provided by the state for the SELPA are not defined or described. There is no mention of IDEA local assistance funds or the county property tax for special education. This may include net AB602 funding base, growth funding and/or decline recapture, and the cost-of-living adjustment (COLA) although these are not mentioned in the policy. The other “resources provided by the State” are not specified. The policy should specifically identify the funds that are included in the allocation pool and those that are distributed to the local education agencies via other processes.

When Procedure 9 is applied to develop the allocation spreadsheet, it identifies specific funding streams. The following information is from the 2008-09 allocation spreadsheet developed in July 2009.

Specific Funding Streams (added by FCMAT)

SELPA SUMMARY		P-2	
STATE APPORTIONMENT(@1.00)		\$23,213,846	AB 602 net base funding
SUPPLEMENT		\$141,697	Supplement to base funding from 07-08 (state funding)
COLA 0.00%	1.00000	\$0	Cost-of-living adjustment
Growth 1.0023	1.00000	\$77,353	Growth funding or decline recapture
LOCAL ASSISTANCE		\$11,245,561	Fed IDEA Part B local assistance
PROPERTY TAX		\$14,396,837	County property tax
2007-08 MENTAL HEALTH		\$39,209	Mental health prereferral funding (from 07-08)
LCI OUT OF HOME CARE		\$1,779,231	LCI and foster home funding
2008-09 MENTAL HEALTH		\$331,330	Mental health prereferral funding (for 08-09)
TOTAL BASE		\$51,225,063	Total to be used or allocated
MT DIABLO IN/OUT NET:		\$615,940	Net revenue from Mt. Diablo SELPA
SAN RAMON NET		\$1,498,201	Net revenue from San Ramon SELPA
TOTAL AVAILABLE		\$53,339,204	Total revenue (not including. special grants)

This data suggests that all the above revenue is included in the total amount of \$51,225,063 to be used for specified purposes or for allocation to the local education agencies.

The 2008-09 allocation spreadsheet also illustrates how this \$51,225,063 is apportioned.

REVENUE ALLOCATION		
DOLLARS AVAILABLE	\$51,225,064	
PROGRAM FLEXIBILITY(@ 3.00%:	-\$1,536,752	3% of \$51,225,064 separately computed
901 SMALL LEA	-\$254,627	Separately computed
LCI/OUT OF HOME CARE	-\$5,596,618	Exceeds \$1,779,231 Revenue
SOCIOECONOMIC FACTOR(15% of Federal)	-\$2,516,870	15% of total federal IDEA grant
PRESCHOOL (8.57% of Dollars Available)	-\$4,389,988	Separately computed
COE DISTRICT SPECIFIED SERVICES	-\$1,677,890	Separately computed
COE GUARANTEE SUPPLEMENT	\$0	
LEA ALLOCATION*	\$35,252,325	Available for allocation to LEAs
INCLUDING FLEXIBILITY DOLLARS@	\$5	

The \$35,252,325 is allocated to the LEAs based on their relative CBEDS count from the prior year. Therefore allocated funding includes the following:

- AB 602 state funding that is not used for specified purposes
- 73.43% of the IDEA funding (3% for program flexibility, 15% for socioeconomic considerations, and 8.57% for preschool)
- \$12,718,947 of the remaining county property tax after the \$1,677,890 for deduction for the county office district-specified services.

Based on the \$35,252,325 revenue allocated, \$12,718,947 is composed of county property tax monies, \$8,257,615 is IDEA local assistance funding, and the balance of \$14,275,763 is AB 602 state aid. Most county property tax funds are clearly allocated to the school districts. However, another document titled “Summary of Special Education Funding” shows all the property tax flowing to the county office.

After the allocations, a fee for each student placed in a county office program is computed based on the district of residence and transferred from each district to the county office. This amounts to \$12,854,400, slightly more than the total of \$12,718,947 allocated to districts.

Unless these actions are reconciled, this type of accounting and financial analysis can convey the perception that the county office receives \$14,396,837 in property tax revenue, \$1,677,890 for district-specified services, \$2,751,226 in revenue limit apportionment, and \$12,854,400 in fees from the school district. This lack of clarity in the reconciliation of funding greatly contributes to misunderstanding and an erosion of trust among participating districts. The SELPA should consider transitioning to a full fee-for-service model similar to the one used by the Sonoma County Office of Education or revising the policy and allocation spreadsheet. The purpose of the “COE guarantee supplement” in the above table is unclear, but this area is unfunded.

The SELPA should continue annually calculating the fee received by the county office. However, the county office should charge the fee as a debit against the property tax and revenue limit apportionment total. The county office should also treat the district-specified services amount as a debit against the property tax revenues. If the combined fees and district-specified services cost exceeds the combined property tax revenue and revenue limit apportionment, a supplement or excess cost should be calculated, deducted from the districts and credited to the county office. This total could be placed in the “COE guarantee supplement” row and distributed in the column currently used to total fees. That will more clearly demonstrate that the districts pay only for costs that are in excess of those received by the county office. Another advantage of this method is that districts would not benefit from receiving a portion of the county property tax revenue while placing no students in these programs.

Additional confusion centers on the use of federal IDEA funds, which are pooled with the total special education allocation. Percentages are extracted for specific purposes and allocated based on criteria that sometimes differ from those used for to distribute the net amount to be allocated. The SELPA spreadsheet suggests that 3% of the federal local assistance, or \$337,367, is used for program flexibility dollars, 15%, or \$1,686,834, is used for socioeconomic factors, and 8.57%, or \$963,745 is used for preschool. That would leave the balance at 73.43% or \$8,257,615 to be allocated to the districts.

However, the table below depicts a serious discrepancy between the federal dollars received and expended in Resource 3310 and the federal dollars flowing through the allocation process. The \$800,000 difference likely occurred because the calculation of allocations for specified purposes uses less than the proportionate share of the federal funds. The methods of calculating and depicting how each funding stream is allocated are not apparent. The SELPA should present this information in a more clear and useful format.

	IDEA Part B	Fed Rev Flexib \$	Fed Rev Socio-Econ	Fed Rev Preschool	Fed Rev Comb Total	Resource 3310
ACALANES	\$661,205	\$27,021	\$6,646	\$ -	\$694,872	\$582,810
ANTIOCH	\$2,244,626	\$27,021	\$ 974,973	\$241,344	\$3,487,963	\$2,799,274
BRENTWOOD	\$907,547	\$17,019	\$200,649	\$159,254	\$1,284,470	\$1,248,515
BYRON	\$184,197	\$17,479	\$28,378	\$11,493	\$241,547	\$145,384
CANYON	\$7,502	\$ -	\$527	\$ -	\$8,030	\$0
JOHN SWETT	\$195,394	\$27,021	\$87,876	\$19,702	\$329,993	\$286,942
KNIGHTSEN	\$58,562	\$27,021	\$13,714	\$3,284	\$102,581	\$89,271
LAFAYETTE	\$355,853	\$27,021	\$7,385	\$ 116,567	\$506,825	\$496,090
LIBERTY	\$760,862	\$23,941	\$112,667	\$ -	\$897,470	\$1,050,844
MARTINEZ	\$456,517	\$ 27,021	\$89,142	\$59,105	\$631,784	\$605,766
MORAGA	\$194,274	\$17,777	\$1,266	\$26,269	\$239,586	\$228,278
OAKLEY	\$519,222	\$ 27,021	\$187,568	\$ 111,642	\$845,453	\$908,011
ORINDA	\$273,888	\$16,251	\$1,160	\$34,478	\$325,777	\$256,335
PITTSBURG	\$1,058,264	\$27,021	\$720,628	\$ 100,150	\$1,906,062	\$1,136,288
WALNUT CREEK	\$349,918	\$27,021	\$25,108	\$80,448	\$482,494	\$474,410
CC COE	\$29,785	\$1,708	\$59,182	\$ -	\$90,675	\$937,343
TOTAL	\$8,257,615	\$337,362	\$2,516,870	\$963,734	\$12,075,581	\$11,245,561

The SELPA should develop an allocation process that clearly tracks funding from source to allocation on an individual basis. It should also consider developing a cover page that shows a summary of the allocations by source. An example of this is as follows:

LEA ALLOCATION DOLLARS	LOC ASSIST IDEA DOLLARS	SOCIO-ECONOMIC FACTOR	901 SMALL LEA	LCI DOLLARS	PROG FLEX DOLLARS	PRESCHL FUNDING	COUNTY PROPERTY TAX	MOU OUT OF SELPA \$	MOU INTO SELPA	DOLLARS OUT OF DISTRICT	DOLLARS INTO DISTRICT	OTHER FUNDING ADJUSTMENTS	TOTAL ALLOCATION
\$971,018	\$765,388	\$6,646		\$24,655	\$123,084	\$0	\$0	\$0	\$0	-\$21,643	\$0	\$(21,643)	\$1,847,505
\$3,296,365	\$2,598,300	\$974,973		\$2,588,744	\$123,084	\$1,099,367	\$0	-\$160,680	\$0	-\$116,094	\$0	(276,774)	\$10,127,285
\$1,332,787	\$1,050,545	\$200,649		\$419,130	\$77,525	\$725,432	\$0	\$0	\$0	\$0	\$0	\$ -	\$3,806,068
\$270,504	\$213,220	\$28,378		\$0	\$79,622	\$52,351	\$0	-\$26,780	\$0	\$0	\$0	\$(26,780)	\$590,514
\$11,017	\$8,684	\$527	\$84,876	\$0	\$0	\$0	\$0	\$0	\$0	-\$105,105	\$0	\$(105,105)	\$(105,105)
\$286,948	\$226,181	\$87,876		\$73,964	\$123,084	\$89,744	\$0	-\$107,120	\$0	-\$16,700	\$11,225	\$(112,595)	\$662,608
\$86,002	\$67,790	\$13,714	\$84,876	\$0	\$123,084	\$14,957	\$0	-\$26,780	\$0	\$0	\$0	\$(26,780)	\$336,863
\$522,590	\$411,922	\$7,385		\$0	\$123,084	\$530,987	\$0	\$0	\$0	\$0	\$35,239	\$35,239	\$1,666,446
\$1,117,370	\$880,747	\$112,667		\$1,429,973	\$109,057	\$0	\$0	-\$53,560	\$0	\$0	\$0	\$(53,560)	\$3,542,694
\$670,422	\$528,448	\$89,142		\$197,238	\$123,084	\$269,233	\$0	-\$80,340	\$0	-\$11,225	\$38,343	\$(53,222)	\$1,771,123
\$285,303	\$224,885	\$1,266		\$0	\$80,977	\$119,659	\$0	\$0	\$0	-\$18,664	\$0	\$(18,664)	\$674,763
\$762,508	\$601,033	\$187,568		\$345,166	\$123,084	\$508,551	\$0	-\$26,780	\$0	\$0	\$116,094	\$89,314	\$2,706,538
\$402,220	\$317,043	\$1,160		\$0	\$74,027	\$157,052	\$0	-\$26,780	\$0	-\$16,575	\$0	\$(43,355)	\$864,793
\$1,554,123	\$1,225,009	\$720,628		\$493,094	\$123,084	\$456,200	\$0	-\$214,240	\$0	\$0	\$0	\$(214,240)	\$4,143,658
\$513,875	\$405,063	\$25,108		\$24,655	\$123,084	\$366,456	\$0	-\$80,340	\$0	\$0	\$0	\$(80,340)	\$1,297,550
\$43,656	\$34,411	\$59,182	\$84,876	\$0		\$0	\$14,396,837	\$0	\$2,436,980	\$0	\$105,105	\$2,542,085	\$19,703,133
\$12,126,711	\$9,558,660	\$2,516,870	\$254,627	\$5,596,618	\$1,528,964	\$4,389,988	\$14,396,837	\$(803,400)	\$2,456,980	\$(306,006)	\$306,006	\$1,633,580	\$53,656,455

The pages following the summary provide details for identifying revenues, designating revenues for specific purposes, and computing allocations. The appropriate SACS resource and goal codes for revenues and expenditures should be clearly indicated to ensure the information reconciles with the data on the allocation spreadsheet.

Apart from these sources of confusion, a comparison of the allocation information and Policy 3100 found that the allocation method reflects the policy provisions. The policy clearly attempts to address issues that affect equitability. Provisions are made for districts with small enrollments as well as those affected by socioeconomic status, experiencing growth or declining enrollment, and those serving the preschool population.

These kinds of factors can change over time and new considerations can emerge. As a result, the SELPA should periodically review these types of issues and revise the elements of its allocation model according to need. Questions that should be asked during this process include the following:

- Does the original situation continue or have circumstances changed to such a degree that a revision is advisable?
- What new issues have arisen, and should they be considered in the allocation model?
- Are there any effective fiscal practices that the allocation model can encourage or deter? What type of practices? Good fiscal practices, enhanced service delivery practices? Regionalization?

The Contra Costa County SELPA conducted this kind of review over the past two years and partially identified these issues. However, participants indicated that the process was not a thorough review of each of the funding model's mitigating elements but instead focused more on issues that prompted conflict.

Allocation Procedure 2 in Policy 3100 states the following:

An augmentation will be provided based on socio-economic differentiation among LEAs by calculating the socio-economic factor as 15% of the federal (including but not limited to Local Assistance) funding and allocate based on the prior year Free and Reduced Lunch Count for each LEA by percentage of the total lunch count. LEAs receive funding based on the prior year December 1st Pupil Count.

It is unclear what federal funding may be included in addition to local assistance. The wording suggests that all federal funding would be subject to the 15% socioeconomic factor. However, several superintendents indicated that there is no full support for either the socioeconomic factor or the notion that all federal funding should be subject to this factor. Furthermore, there is no indication that this factor has been applied to the other federal grants.

The apparent basis for considering this factor is that in the 1997 reauthorization of IDEA, Congress specified that IDEA grants to local education agencies should be based on three standards. The first is the base amount, which reflects the amount the LEA received in 1999-2000. The second is that 85% of any IDEA Part B funding received by an LEA in addition to the base amount is based on relative enrollment. Lastly, the remaining 15% of any funding increase is allocated according to relative socioeconomic standing. While this may be an equitable allocation, nothing requires the SELPA to allocate funding on this basis. The policy should be specific about the rationale for this factor, the percentage level, and the fiscal resources to which it is applied. At a minimum, the policy should specify that the factor is applied to IDEA Part B local assistance funds and any other funds that the governing council includes. Otherwise, the SELPA director has sole authority to determine the funds to which the factor applies.

An allocation spreadsheet dated Oct. 23, 2009 demonstrates the past practice of accumulating supplements to the base funding over the years and treating them as federal funding. These supplements were originally federal funds that created an increased maintenance-of-effort obligation to the state. In making them supplements to the base, the state effectively converted them to state funding. However, they continued to be treated as federal funds in computing the socioeconomic factor. The October allocation sheet includes a supplement of \$5,533,570, but a November allocation sheet shows the supplement as the amount received in 2008-09, which was \$141,967.

2008-09 Nov 9

SELPA SUMMARY		SELPA SUMMARY		P-2
STATE APPORTIONMENT (@ 1.00):		STATE APPORTIONMENT (@ 1.00):		\$23,213,846
SUPPLEMENT:		SUPPLEMENT:		\$141,697
COLA 0.00%	1.00000	COLA 0.00%	1.00000	\$0
Growth 1.0023	1.00000	Growth 1.0023	1.00000	\$77,353
LOCAL ASSISTANCE:		LOCAL ASSISTANCE:		\$11,245,561
PROPERTY TAX:		PROPERTY TAX:		\$14,396,837
2007-08 MENTAL HEALTH		2007-08 MENTAL HEALTH		\$39,209
LCI OUT OF HOME CARE		LCI OUT OF HOME CARE		\$1,779,231
2008-09 MENTAL HEALTH		2008-09 MENTAL HEALTH		\$331,330
TOTAL BASE:		TOTAL BASE:		\$51,225,063
MT DIABLO IN/OUT NET:		MT DIABLO IN/OUT NET:		\$615,940
SAN RAMON NET:		SAN RAMON NET:		\$1,498,201
TOTAL AVAILABLE:		TOTAL AVAILABLE:		\$53,339,204

On the October 23 spreadsheet, the \$5,391,873 that appeared as the supplement in 2007-08 was added to the state apportionment of \$17,821,973, resulting in a total state apportionment of \$23,213,846 on the November 9 spreadsheet. The difference between the amount included on the October 23 spreadsheet and the 2008-09 amount is \$141,697.

Allocation Procedure 3 in Policy 3100 states the following:

Funding for children residing in a Licensed Children's Institution (LCI) shall be equally shared by all member LEAs and allocated to the LEA of residence at an established rate prior to the basic resource allocation. The LEA of residence shall receive an augmentation of \$24,655 for 2008-09 adjusted annually by the cost of living adjustment per pupil residing in an LCI.

There are several concerns with this statement and the information included on the spreadsheets. For example, out-of-home-care funding received by the SELPA is \$1,779,231, and the total allocated is \$5,596,618. The difference of \$3,817,387 is secured before the funding is allocated to the districts. The policy should clearly indicate that if out-of-home-care funding is insufficient to fully fund this provision at the agreed rates, additional funding would come from resources to be allocated to the districts, or available funds would be distributed on a prorated basis.

The funding rate is intended to provide sufficient resources to substantially cover the tuition costs for Licensed Children's Institute (LCI) residents who are enrolled in nonpublic schools and/or to develop public school placement options for these pupils. The policy should clearly state the purpose for funding at this rate and justify the need for taking additional funding from resources intended to be generally allocated to the districts.

This policy provides an annual cost-of-living adjustment (COLA). To avoid future disagreements about what constitutes this adjustment, the policy should indicate that the COLA will be the same adjustment the state used for per-bed rates for out-of-home-care funding. The COLA for the per-bed rates may be higher than the effective funded COLA rate for special education funding. Therefore, an augmentation rate increase will also result in a decrease to the funds intended for general allocation.

Procedure 3 continues as follows:

- a) By agreement, a LEA may assign LCI students who are being serviced by County Special Day Class programs to the County as assigned LEA of residence. Placement will be based upon service needs and mutual participation of LEA and county staff in the IEP including transition of a student back to a LEA program.
- b) If the County agrees, all LCI students from the LEA placed in County Programs will be transferred to the County as "LEA of residence". Transportation and due process, among others, shall be the responsibility of the County in such cases. Transfer will be proposed by December 1 for implementation in the following school year.
- c) The County would receive the LCI allocation from the SELPA and the LEA would not be charged for the placement.

These provisions permit an LEA whose LCI residents are in county office programs to designate these students as residents of the county office. In this case, the county office would receive the LCI allowance and would not charge the sending LEA the fee for the pupil's placement. As a result, LEAs achieve a cost savings for each LCI student placed in county office program. In 2008 -09 the difference between the county office program charge of \$26,780 and the LCI allowance of \$24,655 was \$2,125. If Antioch Unified, for example, had placed all 105 of its LCI students in the county office program and transferred their residency, it would have saved \$223,125. This creates an incentive to place LCI students in the county office program.

Allocation Procedure 4 in Policy 3100 states the following:

Preschool funding shall be provided from the allocation at a rate of 8.57% of the available funding to the LEAs of residence of preschoolers. Grants for preschool age children shall be in addition to the Allocation Plan revenue available for distribution of program funds to LEAs after deduction from the grants (\$5,000 adjusted annually by funded COLA for staff development and \$124.04 for 1998/99 per 3-4 year old on the December Pupil Count adjusted annually by statutory COLA for Regionalized Services/Program Specialist) are assigned to the SELPA. To allocate preschool funding identify 8.57% of the revenue available for preschool distribution. LEAs receive proportional funding based on the prior year December 1st Pupil Count of 3 and 4 year olds by LEA of residence. Preschool Grants that are not included in the state-funding model for special education shall be given to the LEAs of residence of the preschoolers as additional revenue based on the prior year December 1st Pupil Count of 3 and 4 year olds by LEA of residence.

In addition to federal preschool grants, this procedure provides that LEAs of residence for preschool students ages three and four receive an augmentation that is secured before the funds are generally allocated. This augmentation is 8.57% of the total funds, less specified amounts for staff development and regionalized services/program specialists services that are to be allocated for SELPA use. However, the procedure contains no clear rationale for the 8.57% rate.

The procedure establishes certain allocations to flow first to the SELPA without a clear rationale for the allocation or the amount to be allocated. These allocations are to be adjusted annually by the statutory COLA provided for regionalized services/program specialists funding. The SELPA should consider limiting that percentage to the funded COLA for RS/PS. If a deficit occurred in that funding, the SELPA would receive less through a funded COLA than it would through a statutory one.

Allocation Procedure 5 in Policy 3100 states the following:

A fixed rate adjustment for small LEAs with an actual CBEDS count of less than 901. A proration method shall be used to transition small LEAs above 901 CBEDS, up to 1401 CBEDS. Allocate an additional \$84,876 for 2008-09 adjusted annually by the cost of living adjustment per small LEA with less than 901 CBEDS count. A Prorated allocation for LEAs above 901 CBEDS and less than 1401 CBEDS will be provided [Formula: $(1401 - \text{CBEDS}) \div 500 \times \text{Rate} = \text{Allocation}$].

The figures 901 and 1,401 were selected because they are defining factors to determine direct service districts. Two districts have CBEDS counts of less than 901 and none between 901 and 1,401. However, three districts have CBEDS counts of less than 2,000: Byron with a CBEDS count 1,645, John Swett with a CBEDS count of 1,745, and Moraga with a CBEDS count of 1,735.

The SELPA funds court and community school programs operated by the county office as though they were a small district with a CBEDS count of less than 901, providing a full grant of \$84,876. The SELPA should consider the property tax and revenue limit apportionment received by the county office as its allocation. It could then use the fee for SDC placements, costs of district-specified services, and socioeconomic factor as charges against that allocation. If the allocation is insufficient, the “COE guarantee supplement” (currently unfunded) could be used to fund the shortfall. As the result, there would be no need to continue funding court and community schools as a small district.

If the SELPA modified the definition of small district to include those with a CBEDS count of from 1,401 to 2,001, it could provide small districts with augmentations from the \$84,876 used by court and community schools.

	Byron	John Swett	Moraga	
CBEDS Limit	2001	2001	2001	
District CBEDS	(1,645)	(1,745)	(1,735)	
Difference	356	256	266	
Divide by	1100	1100	1100	
Percent of Grant	32.36%	23.27%	24.18%	
Small District Grant	\$84,876	\$84,876	\$84,876	
Pro-rated Grant	\$27,469	\$19,753	\$20,525	\$67,747

The procedure provides for an annual cost-of-living adjustment, but this provision should be more specific. Special education COLAs are calculated by applying the statutory COLA to a calculated statewide target rate and adding the result to each SELPA’s funding rate. As a result, special education COLA funding uses a different effective percentage rate than the statutory rate for three reasons. If the state target were a true average, the calculated dollar rate would be lower for SELPAs with rates higher than the state rate and higher for those with lower rates. Further, although the state target rate is based on a

statewide average calculated in 2003, the state target is well below every SELPA's actual funding rate because of augmentations made to SELPAs' individual rates. Lastly, this target rate includes only state funds and not federal funds.

To determine a SELPA's effective funded COLA rate, the current year's dollar COLA rate is divided by the sum of SELPA's prior year's base rate funding, its COLA funding and its growth funding or enrollment decline recapture. That will probably be about a full percentage point below the statutory rate and also well below the funded COLA rate for revenue limit apportionment.

As a result, Policy 3100 should refer to the "effective COLA rate for special education received by the SELPA pursuant to AB 602" instead of the "funded" COLA.

Allocation Procedure 7 in Policy 3100 states the following:

The SELPA Director will assign resources, to give flexibility to the plan and provide for the needs of LEAs and programmatic requirements. Program Flexibility revenue shall include three percent (3%) of the current year's total SELPA allocation and any additional funding necessary to accomplish hold harmless provisions during policy transition as defined at the time of the policy change. Primary use of the funds should allow limited subsidy of LEAs experiencing a reduction in funding from the prior year or growth. Program Flexibility Dollars shall not be included in projections and shall be assigned during certification with the following procedures:

- a. LEAs allocated resources less than the previous year shall receive a subsidy up to \$263,835 for 2008-09 adjusted annually by the cost of living adjustment. LEA Allocation, Socio-Economic Augmentation, Small LEA Augmentation, and LCI Augmentation shall be totaled for current and prior year comparison and application of Program Flexibility Dollars at P-1.
- b. LEAs experiencing growth shall be provided a one-year subsidy up to \$263,835 for 2008-09 adjusted annually by the cost of living adjustment. At P-1 current year CBEDS will be used to calculate the percent of SELPA and identify funding for comparison with actual allocation and application of Program Flexibility Dollars.
- c. LEAs receiving hold harmless subsidy (see "SELPA Director shall use:" 5.) shall not be eligible for prior year loss or growth subsidy. LEAs that receive subsidy under both subsections a. and b. of this item shall not receive more than one type of subsidy up to the limit. An LEA shall receive the highest of the three possible amounts.

- d. The maximum allowable limit shall be adjusted downwards when the 3% calculation does not provide enough funding to fund both prior year loss and current year growth. The limit shall be adjusted downward until all LEAs eligible for funding receive Program Flexibility Dollars.
- e. Receipt of Program Flexibility Funds shall not result in a reduction of the actual local general fund expense for special education from the prior year level.
- f. Allocate balance of available resources based upon percent of SELPA.
- g. Allocation to assure full operation of all resources.

While the intent of this procedure is clear, the lack of detail contributes to district confusion as evidenced by comments made to FCMAT by superintendents and business staff members.

The opening statement, “The SELPA Director will assign resources...” provides the director with unrestricted authority. This decision should be made by the SELPA governance. The language should stipulate that the director will propose, recommend, or calculate the resources to be allocated.

It is unclear specifically which resources are affected by the 3% amount. The term “total SELPA allocation,” is ambiguous regarding the state and federal funds and specific grants the SELPA may receive. The funds that will be used to produce these program flexibility dollars should be specified.

The phrase “and any other funding necessary to accomplish” gives the SELPA director seemingly unlimited authority to secure whatever resources are necessary before funds are allocated to the districts. The SELPA governance should be authorized to augment the 3% funding with additional funds if necessary.

There are substantial concerns with paragraph “a,” which provided for the mitigation of revenue reduction from the prior year. The John Swett Unified School District used this type of provision to maintain a funding level for several years despite an ongoing enrollment decrease. However, when one district left the SELPA, hold-harmless funding decreased substantially and unexpectedly. If the hold-harmless mechanism is employed, the reduction should focus on the amount the district is calculated to receive and not the amount received in the prior year. This helps a district to plan for an ongoing enrollment decline in a systematic manner.

The use of the term “adjusted annually by the cost of living adjustment” in paragraphs “a” and “b” should be reconsidered according to the terms of the COLA discussion earlier in this section.

The process for adjusting “downward” in paragraph “d” is imprecise. If funds are insufficient to accomplish the purpose, the funds should be allocated on a prorated basis. This would ensure all parties receive a share of these resources and promote a better understanding of the process.

Paragraph “f” seems unnecessary. Instead, the procedure should start with the language, “Prior to the allocation of special education funds to the districts.”

The intent of paragraph “g” is unclear and should be reworded for clarity.

The final allocation procedure, number 9, seems out of place.

Deduct from the current year’s total Dollars Available resources provided by the State for the SELPA, the socio-economic factor, the small LEA allocation, the County Specific LEA Service allocation, the guaranteed supplement to the County, the LCI allocation, preschool allocation, and Program Flexibility allocation to determine the total revenue available for LEA Allocation .

Since the procedure defines the total allocation as well as the amount secured before funds are allocated, this should probably be the first or second allocation procedure instead of the ninth.

Since resource allocation is vital for the operation of special education programs, the process should be clear even to newer employees. The Contra Costa SELPA has experienced a high turnover of superintendents and chief business officials, and most replacements came from other SELPAs with different operational procedures. However, that experience can hinder understanding of the allocation process if the SELPA allocation plan lacks clarity and specificity.

Recommendations

The SELPA should:

1. Revise Policy 3100 to include greater detail on the various funding sources and the calculation/computation to be accomplished. The policy should also provide for more involvement by SELPA governance and less autonomy on the part of the SELPA director.
2. Ensure the presentation of fiscal information is understood by all parties. Differing audiences have differing points of interest, and the presentation must accommodate these. Fiscal documents should also be consistent. For example, the figures on the allocation spreadsheets and those on the advance apportionment spreadsheets should be the same, or an explanation of the differences should be provided.

3. Modify the allocation spreadsheet so that it explicitly demonstrates that the county property tax flows to the county office. This change would eliminate the misperception that the fee collected the county office is over and above the property tax. It would also dispel the notion that a district would automatically achieve a savings by serving students instead of the county office.
4. Take the percentages and funds for specific purposes from AB 602 funds rather than combining and pooling all funds and remove the percentages and funds for specific purposes. For example, take the socioeconomic factor of 15% from the IDEA federal funds only. Take the flexible program dollars, 3%, the preschool dollars, 8.57%, and the specific purpose funds (small LEA, additional LCI funds, etc) from AB 602 funds.
5. Re-evaluate the use of small augmentations such as the LEA allocation, small district augmentation, and the socioeconomic factor. Since the county office receives property tax funding for providing special education services, there is no real need for these.
6. Ensure that the county office is reimbursed or the Contra Costa SELPA receives compensation from the other districts whose students are currently enrolled in the court and community schools operated by the county office. The SELPA's property tax entitlement is used to provide special education services to students with disabilities in the court school. However, while the West Contra County SELPA reimburses the county office for those services, the Mt. Diablo and San Ramon SELPAs do not. This issue should be addressed in the interests of the members of the Contra Costa SELPA.
7. Ensure that Policy 3100 and other policies that contain statements about statutory and/or funded COLAs use the term "effective COLA rate for special education received by the SELPA pursuant to AB 602" or a similar one when referring to cost-of-living adjustments for special education programs.
8. Reevaluate the practice of taking funds before they are allocated for specific purposes that do not necessarily benefit all parties. Preschool funding, Work-Ability and Regional Occupation Program career training are important but all parties should participate in the decision to fund them.
9. Review the practice of distributing out-of-home care funding based on the number of pupils reported in an LCI. This results in a considerable per-student funding rate that may be equal but not "equitable" since some types of students are more expensive to serve than others.
10. Ensure the allocation presentation is thorough, complete and meet the needs of each party. The presentation should start with a summary that shows district allocation by revenue source. It should explain how revenues are received, how specific augmentations are calculated and removed from the revenues allocated, how remaining revenues are allocated, and how specific augmentations are allocated.

Each succeeding page should be more detailed for those who need a thorough understanding of the entire process.

11. Distribute some of the information on the advance apportionment spreadsheet along with the allocation spreadsheet as a fiscal package. Otherwise, the few who typically review the advance apportionment will not have access to that information.
12. Review the rationale and purpose for each augmentation and evaluate rates and values. The allocation procedure section should be revised to ensure maximum clarity and specificity.

SELPA Governance Structure

SELPAAs are required to develop a local plan describing how they provide special education services. The local plan outlines the role and responsibility of districts and the county offices or LEAs to ensure access to special education and services for all individuals with exceptional needs who live in the SELPA.

The SELPA governance structure includes the policy-making body (governance council), which is responsible for making policy decisions, approving SELPA budget and contracts, establishing guidelines for policy, staff development programs and staffing patterns.

The Contra Costa SELPA is composed of 15 school districts varying in size and socioeconomic status. The Contra Costa County Office of Education is also a member of the SELPA, and the Acalanes Union High School District is the designated administrative unit. Acalanes receives and distributes state and federal funds including regionalized services and program specialist revenues to accounts exclusively designated for SELPA use and performs other administrative functions.

Through a joint powers agreement, SELPA members designate a governance council composed of six voting superintendents from member LEAs and one nonvoting representative from the Community Advisory Committee. Under the local plan, each of the six members has one vote, and a quorum consists of four voting members.

The Governance Council consists of LEAs and representatives:

- Contra Costa County Office of Education – Superintendent
- Antioch Unified School District – Superintendent
- Pittsburg Unified School District – Superintendent
- Acalanes, Walnut Creek, Moraga, Orinda, Lafayette, and Canyon School Districts – The Moraga Superintendent was appointed by joint committee of superintendents from those districts. This superintendent is also the chair of the Governance Council.
- Oakley, Liberty, Brentwood, Bryon and Knightsen school districts – The Oakley superintendent was appointed by joint committee of superintendents from those districts.
- John Swett and Martinez school districts – The John Swett Superintendent was appointed by joint committee of superintendents from those districts.

The Governance Council meets at least four times a year and adopts policies in areas that include personnel, budget, policy, and contracts. Each member is appointed for one year, but may be reappointed for additional terms. The Contra Costa SELPA director serves as the chief executive officer and reports to the Governance Council. The director is a nonvoting member and prepares the agenda and all support materials for each meeting.

The SELPA should consider revising its governance structure to improve communication, openness, and decision-making. Since it has only six voting members and one Community Advisory Committee member, several districts are represented by a single superintendent from their region. The representative superintendent meets with member districts to share the information and solicit feedback for the Governance Councils' upcoming decisions and motions. With the current system, 10 of the 16 superintendents receive information from the member superintendent and attempt to have indirect input into the decisions made.

Some votes have resulted in a three-to-three split. Although there is a process to address this situation, members indicated there are concerns about it, especially between districts of lower and higher socioeconomic levels.

Staff members indicated that there has been high turnover among the SELPA's superintendents over the past several years and that the Governance Council suffers from divisiveness and mistrust. Some of the divisiveness may be exacerbated by a lack of understanding among the superintendents about the functions of the SELPA, county office and the Governance Council.

To enhance communication, improve decision-making and foster openness, every superintendent should be a member of the Governance Council. Because of the fiscal condition of the state's educational system, it is even more important for every district to participate when crucial decisions are made.

The SELPA does not use a weighed voting system to promote equity among the districts in making decisions. This type of system is based on each district's overall ADA and provides every superintendent a proportionate share of decision-making. Several different types of weighted voting systems would be effective. To promote equity among the 16 superintendents, the first step is to determine the percentage of the SELPA that each district constitutes. This is determined by dividing each district's 2008-09 P-2 ADA by the total SELPA ADA. This will provide the proportional percentage of total ADA for each district. P-2 ADA is used because it is the most current state certification available.

**Weighted Voting Proposal
ADA Calculation**

LEA	2008-09 P2 ADA				Percent of Total ADA
Contra Costa COE	1,007.49	÷	70,926.13	=	1.42%
Acalanes Union High	5,471.92	÷	70,926.13	=	7.71%
Antioch Unified	18,544.31	÷	70,926.13	=	26.15%
Brentwood Union Elementary	7,986.98	÷	70,926.13	=	11.26%
Byron Union Elementary	1,614.25	÷	70,926.13	=	2.28%
Canyon Elementary	65.31	÷	70,926.13	=	0.09%
John Swett Unified	1,609.14	÷	70,926.13	=	2.27%
Knightsen Elementary	480.18	÷	70,926.13	=	0.68%
Lafayette Elementary	3,122.49	÷	70,926.13	=	4.40%
Liberty Union High	6,543.82	÷	70,926.13	=	9.23%
Martinez Unified	3,797.22	÷	70,926.13	=	5.35%
Moraga Elementary	1,700.68	÷	70,926.13	=	2.40%
Oakley Union Elementary	4,433.15	÷	70,926.13	=	6.25%
Orinda Union Elementary	2,358.11	÷	70,926.13	=	3.32%
Pittsburg Unified	9,024.15	÷	70,926.13	=	12.72%
Walnut Creek Elementary	3,166.93	÷	70,926.13	=	4.47%
Total	70,926.13	÷	70,926.13	=	100.00%

One of the proposals below should be implemented. Each proposal requires all 16 superintendents to be members of the Governance Council.

Proposal 1 – One Vote per 400 ADA

All 16 members of the Governance Council are designated as voting members with one vote per 400 ADA. Each district receives one vote for every 400 ADA rounded to the nearest whole vote. Canyon Elementary is the only SELPA district with less than 400 ADA; however, it receives at least one vote. The ADA used in the calculation is the most current P-2 ADA state certification available. Each district must cast its entire allocation as one vote. Action is decided by majority vote except in circumstances where state or federal mandates require a unanimous vote. A quorum exists when a majority of members are present, and the number of total votes fluctuates with ADA.

**Weighted Voting for Contra Costa
Proposal I
One Vote per 400 ADA**

LEA	1 Vote per 400 ADA	% of Votes
Contra Costa COE	3	2%
Acalanes Union High	14	8%
Antioch Unified	46	26%
Brentwood Union Elementary	20	11%
Byron Union Elementary	4	2%
Canyon Elementary	1	1%
John Swett Unified	4	2%
Knightsen Elementary	1	1%
Lafayette Elementary	8	4%
Liberty Union High	16	9%
Martinez Unified	9	5%
Moraga Elementary	4	2%
Oakley Union Elementary	11	6%
Orinda Union Elementary	6	3%
Pittsburg Unified	23	13%
Walnut Creek Elementary	8	4%
Total	178	100%

Proposal II – One Hundred Total Votes

All 16 members of the Governance Council are designated as voting members with total votes fixed at 100. If a district's ADA is less than one percent of the total SELPA ADA, the district receives one vote. Canyon Elementary and Knightsen Elementary are the only two SELPA districts that would receive at least one vote. All others would be allocated votes based on total SELPA ADA less ADA of minimum vote districts, so that the total number of votes equal 100. Votes are rounded to the nearest whole vote. The ADA used in this proposal is the most current P-2 ADA state certification available. When voting, all districts must cast their entire allocation as one vote. Action is decided by majority vote except in circumstances where state or federal mandates require a unanimous vote.

**Weighted Voting for Contra Costa
Proposal II
100 Total Votes**

LEA	ADA	Total ADA	Percent of Total ADA	Vote Format	Full Vote ADA	Full Vote ADA Total	Full Vote Percent of ADA		100 Vote Method	% of Votes
Contra Costa COE	1,007.49	70,926.13	= 1.42%	Full Vote	1,007.49	70,380.64	1.43%	x	1	1.4%
Acalanes Union High	5,471.92	70,926.13	= 7.71%	Full Vote	5,471.92	70,380.64	7.77%	x	8	7.6%
Antioch Unified	18,544.31	70,926.13	= 26.15%	Full Vote	18,544.31	70,380.64	26.35%	x	26	25.8%
Brentwood Union Elementary	7,986.98	70,926.13	= 11.26%	Full Vote	7,986.98	70,380.64	11.35%	x	11	11.1%
Byron Union Elementary	1,614.25	70,926.13	= 2.28%	Full Vote	1,614.25	70,380.64	2.29%	x	2	2.2%
Canyon Elementary	65.31	70,926.13	= 0.09%	Min One Vote			n/a	x	1	1.0%
John Swett Unified	1,609.14	70,926.13	= 2.27%	Full Vote	1,609.14	70,380.64	2.29%	x	2	2.2%
Knightsen Elementary	480.18	70,926.13	= 0.68%	Min One Vote			n/a	x	1	1.0%
Lafayette Elementary	3,122.49	70,926.13	= 4.40%	Full Vote	3,122.49	70,380.64	4.44%	x	4	4.3%
Liberty Union High	6,543.82	70,926.13	= 9.23%	Full Vote	6,543.82	70,380.64	9.30%	x	9	9.1%
Martinez Unified	3,797.22	70,926.13	= 5.35%	Full Vote	3,797.22	70,380.64	5.40%	x	5	5.3%
Moraga Elementary	1,700.68	70,926.13	= 2.40%	Full Vote	1,700.68	70,380.64	2.42%	x	2	2.4%
Oakley Union Elementary	4,433.15	70,926.13	= 6.25%	Full Vote	4,433.15	70,380.64	6.30%	x	6	6.2%
Orinda Union Elementary	2,358.11	70,926.13	= 3.32%	Full Vote	2,358.11	70,380.64	3.35%	x	3	3.3%
Pittsburg Unified	9,024.15	70,926.13	= 12.72%	Full Vote	9,024.15	70,380.64	12.82%	x	13	12.6%
Walnut Creek Elementary	3,166.93	70,926.13	= 4.47%	Full Vote	3,166.93	70,380.64	4.50%	x	4	4.4%
Total	70,926.13	70,926.13	= 100.00%	n/a	70,380.64	70,380.64	100.00%	x	100	100.0%
"Full Vote" ADA: 70,380.64 Number of "Min One Vote"s: 2										

Below is a condensed version of the 100 vote system.

**Weighted Voting for Contra Costa
Proposal II
100 Total Votes**

LEA	Votes	% of Votes
Contra Costa COE	1	1%
Acalanes Union High	8	8%
Antioch Unified	26	26%
Brentwood Union Elementary	11	11%
Byron Union Elementary	2	2%
Canyon Elementary	1	1%
John Swett Unified	2	2%
Knightesen Elementary	1	1%
Lafayette Elementary	4	4%
Liberty Union High	9	9%
Martinez Unified	5	5%
Moraga Elementary	2	2%
Oakley Union Elementary	6	6%
Orinda Union Elementary	3	3%
Pittsburg Unified	13	13%
Walnut Creek Elementary	4	4%
Total	100	100%

Proposal I is easier because it fluctuates as ADA increases or decreases. Proposal II is somewhat more difficult because it requires a simple formula to maintain a constant 100 votes.

Voting by Proxy

The SELPA Governance Council structure and local plan do not allow a district to submit a request for voting proxy when a superintendent is unable to attend a meeting. The Antioch Unified School District, Pittsburg Unified School District and Contra Costa County Office of Education are particularly affected by this decision since they represent only themselves.

SELPA's throughout the state allow governance council superintendents to appoint other superintendents to vote for them when they are unable to attend a meeting. A proxy request must be submitted in writing to the SELPA director before the meeting and is granted for one meeting only. This request should be submitted for each occurrence, and the SELPA's local plan should be revised to include the appropriate language.

Intensive Training for New Members

Staff and members indicated that there has been a high turnover among superintendents, business officials, and special education directors in the last several years. No specific intensive training is provided for new SELPA members. This training would foster a better understanding of the SELPA governance structure, funding allocation plan, SELPA policies, the local plan, and the SELPA's historical elements. Some SELPA's train new members at a one-day retreat.

Governance Council Meeting Location

Some of the more isolated districts find it difficult to attend SELPA meetings because of their location. As a result, the SELPA changed the location of a few meetings. Other options are available to allow the isolated districts to participate in meetings.

A webcam can be used to video conference the Governance Council meetings. Polycom and Skype are two software programs most commonly used for this purpose, and both are available for free or at low cost.

Recommendations

The SELPA should:

1. Amend the local plan to include all 16 superintendents as members of the Governance Council to enhance communication, improve decision-making, and foster openness.
2. Adopt a weighted voting system to promote openness and equity in decision-making, particularly between districts of low and high socioeconomic levels. This type of voting system gives every superintendent a proportionate share of decision-making and creates an incentive for each member to attend Governance Council meetings.
3. Revise the local plan to allow superintendents to request a voting proxy for situations when they are unable to attend Governance Council meetings. The superintendent who is unable to attend should assign another superintendent to vote on his or her behalf. A request for proxy should be submitted in writing to the SELPA director before the meeting and should be granted for one meeting only. A request should be required for each individual occurrence.

4. Provide specific and intensive training for all new superintendents, special education directors, and business officials. Topics should include the SELPA governance structure, the funding allocation plan, SELPA policies, the local plan, and the history of the SELPA. A retreat could be used for this purpose.
5. Consider using a webcam program such as Skype or Polycom to video conference Governance Council meetings. This will promote the participation of the more isolated districts. Both programs are available for free or at low cost.

Regionalized Dollars: Program Specialists and Coordinators

Regionalized services and program specialist funding are distributed to the SELPA for the purposes detailed by Education Code Section 56836.23. In the 2008-09 fiscal year, the Contra Costa SELPA received \$1,067,311 for the purposes of EC Section 56836.23. The use of these funds is controlled by EC Section 56836.25.

In addition, the SELPA administrative unit received the following amounts in 2008-09:

Preschool RS/PS	\$101,144
Interest	\$15,460
Indirect revenue	\$6,514
Preschool staff development	\$6,311
Pre-K staff development	\$4,131
Part C	\$15,956
Infant discretionary	\$837
Alternative dispute resolution	\$15,000
Medi-Cal MAA billing	\$69,580

This funding totaled \$1,302,244 in revenues for the SELPA administrative unit. Total expenditures for SELPA operations was \$1,371,875, for a 2008-09 operating loss of \$69,631. This left an ending balance that was distributed in the following manner:

Revolving cash	\$3,000
Economic uncertainties (3%)	\$39,329
Equipment replacement Reserve	\$48,844
Supplemental reserve	\$487,863

Deficit spending is projected to continue through 2013-14, peaking at \$104,359 in 2010-11. In 2014-15, the SELPA projects an ending balance of \$15,275.

The San Ramon Unified School District was a member of the Contra Costa SELPA until it seceded in 2007-08. Afterward, the SELPA experienced a decline of \$288,414 in total revenue, which included a decline in EC 56836.23 funding of \$291,384. The operational surplus declined by \$182,661 and the ending balance peaked at \$648,827. Although the SELPA experienced reduced revenues of \$288,414, the expenditures were reduced by only \$165,553.

A 10-year experience projection forecasts that the SELPA will return to an operational surplus in 2014-15, but will experience operational deficits until then. Because of the struggling economy, the operational deficits may be greater than projected, further eroding the ending balance and delaying the operational surplus. The SELPA governance should review the 10-year projection to determine whether further operational reductions are warranted.

For example, several superintendents and business officials expressed concern about the costs of SELPA facilities. Rental costs are expected increase from \$72,442 per year in 2008-09 to \$86,748 in 2014-15. Some were more concerned about the office being located in Mt. Diablo SELPA; however, this facility is centrally located and easily accessible by all member districts. Although a new multiyear lease was recently negotiated, the SELPA governance should determine whether savings could be realized if the SELPA bought out the lease and relocated to a more economical location.

Another area of concern was staffing. The cost of salaries and benefits declined by only \$109,327 between 2006-07 and 2007-08, but revenue decreased by \$288,414 and the number of students fell by 23,815 or 25% of the SELPA-wide enrollment. Some staff members questioned whether the SELPA needs three program specialists, two coordinators and three classified support personnel. Some districts also indicated that at least some program specialist revenue could be allocated to the districts so they can hire their own program specialists.

Before the AB602 funding model, two separate per-pupil allocations existed for regionalized services and program specialist funds in the prior J-50 calculation. In the AB602 conversion, both funding allocations were added and divided by the 2007-08 ADA to create one combined rate per ADA. Based on the old J-50 per pupil calculations, one-third of current funding was designated for regionalized services and two-thirds for program specialist services. The following table contains two separate calculations for the allocation of program specialist funds to all LEAs. The first is based on October 2008 CBEDs and the second on ADA.

	ADA	PROG SPEC ALLOCATION	CBEDS	PROG SPEC ALLOCATION
ACALANES	5,517.00	\$55,589	5,712	\$55,250
ANTIOCH	18,616.78	\$187,581	19,629	\$189,864
BRENTWOOD	7,929.60	\$79,898	8,247	\$79,770
BYRON	1,567.92	\$15,798	1,670	\$16,153
CANYON	65.00	\$ 655	68	\$658
JOHN SWETT	1,612.00	\$16,242	1,708	\$16,521
KNIGHTSEN	486.94	\$4,906	500	\$4,836
LAFAYETTE	3,133.00	\$31,568	3,205	\$31,001
LIBERTY	6,460.00	\$65,090	7,006	\$67,766
MARTINEZ	3,794.00	\$38,228	3,977	\$38,468
MORAGA	1,665.00	\$16,776	1,730	\$16,734
OAKLEY	4,417.86	\$44,514	4,620	\$44,688
ORINDA	2,365.00	\$23,830	2,422	\$23,427
PITTSBURG	8,846.00	\$89,132	9,581	\$92,673
WALNUT CREEK	3,133.00	\$31,568	3,236	\$31,301
CCCOE	1,012.35	\$10,200	255	\$2,467
TOTAL	70,621.45	\$711,576	73,566	\$711,576
ACALANES GROUP	15,878.00	159,985	16,373	\$158,370
LIBERTY GROUP	20,862.32	\$210,207	22,043	\$213,214
08 - 09 SELPA RS/PS	\$ 1,067,311			
PS ALLOCATION (66.67%)	\$ 711,576			
PER ADA ALLOCATION	\$ 10.08			
PER CBEDS ALLOCATION	\$ 9.67			

The additional calculation reflects district clusters in the SELPA. The rate per ADA and per CBEDS count were determined by dividing two-thirds of the SELPA regionalized services funding by the total ADA and CBEDS. Many LEAs clearly would not receive funding sufficient to duplicate the program specialist services received from the SELPA. The current cluster arrangement may be the best way to allocate funds since there is a working relationship within the multiple LEA clusters. Given the amount of available funding, it would be difficult to allow some LEAs to receive individual funding while the SELPA maintains the current level of program specialist services.

If the program specialist revenue was distributed according to one of the options above, only \$355,735 would remain to provide regionalized services and coordinate the local plan. Most districts would receive insufficient funding to employ a program specialist.

There is no rule for program specialist staffing. Some SELPAs have no central program specialists, others use only these specialists, and yet others employ some combination of the two.

It would be beneficial for the SELPA governance to review its current SELPA operations and determine whether physical, logistical, staffing, or responsibility changes are necessary.

Recommendation

The SELPA should:

1. Request the Governance Council to solicit a study of SELPA operations to determine whether they meet SELPA needs. Issues such as centralized and decentralized program specialist services, staffing and support levels, and district expectations should be thoroughly reviewed

Collaboration with the SELPA

Contra Costa SELPA districts work collaboratively in many ways. For example, program specialists are assigned to the regions of the SELPA, Alternative Dispute Resolution is available to all districts through a SELPA coordinator, and staff development is available SELPA-wide.

There is no SELPA-wide computerized IEP system. Although the SELPA provides forms and training for IEPs, a few districts implemented their own computerized systems. These different systems make it difficult to transfer documents between districts and may hinder the implementation of one system SELPA-wide.

SELPA districts use different types of service designations. Some districts continue to use the program designation of resource specialist while others use the term individual service providers (ISP). Students moving from one SELPA district to another may need their IEPs revised because of the difference in program designation.

The SELPA lacks a long-term plan for developing new programs in a district, developing regional programs, transferring programs from the county office to a district, or determining that programs are no longer needed. Districts may independently start programs to meet their needs, and some have. A regional program in one part of the SELPA was discontinued by the operating district, leaving some students without a program. One district is in discussions with the county to transfer students and/or classes, but has not developed a formal transition plan.

Although all SELPA member districts have access to a program specialist, the specialists are used differently. In some cases, the program specialist is actively involved in the district, and in others not. Some districts would prefer having the funding for that position so that they can hire their own staff.

The SELPA Web page includes many documents and resources for the member districts and their parents. The parent documents are linked to Google translation so that those whose primary language is not English can access the documents. However, many district staff members are unaware of the Web page.

Recommendations

The SELPA should:

1. Develop a comprehensive SELPA plan to implement IEP system software. This plan should consider the different IEP software applications already being used by the SELPA member districts.

2. Ensure that a student transferring between member districts that use different terminology for their special education programs do not require a new IEP.
3. Develop a long-term program plan to meet the needs of member districts. This plan should include the development or cancellation of programs in a district, regional programs, and the transfer of programs from the county to a district. Include in this plan guidelines for when a district program or regional program cease operation.
4. Review the responsibilities of program specialists with all special education directors to ensure that they know the services available.
5. Continue updating the SELPA Web page and provide districts with an outline of the information available there, including translation options.

Staff Development

Staff development information is included on the SELPA Web site. District and county office staff members also receive e-mails informing them of upcoming workshops, SELPA program specialists and coordinators provide workshops in individual districts upon request, and the SELPA provides SELPA-wide workshops, usually at the main office.

A staff development survey is completed every two years and sent to approximately 1,500 district and county office employees. The survey’s top 10 requests are implemented during the next two-year period.

A SELPA database includes each training session’s title, location, attendance and the SELPA staff members responsible for the training. It does not include the district or job title of the attendees.

No SELPA workshops are in the planning stages. Staff members indicated that some staff members find it difficult to travel to the SELPA office for workshops. Some personnel also perceive a disparity between districts that have had SELPA-provided workshops on site and those that have not. Most workshops focused on IEPs or autism and not the other needs of some member districts.

The following table includes SELPA information on staff development for the 2008-09 fiscal year. For purposes of this table, any training that applied to a topic heading was combined. For example, Antioch had six IEP workshops attended by three to 140 attendees. The table compares training topics during the previous year and the districts receiving the training.

In addition to the topics included in the table, the SELPA provided job-alike meetings, and training for nonpublic schools.

Staff Development by Topic and Number of Workshops in District and SELPA-wide for 2008-09.

	IEP	ITP	BICM	Aides	Autism	CAPA	Behavior	Assessment	CAC	Legal	Funding
Antioch	6	2									
Brentwood	2			1	1		2				
Byron	2							1			
COE				1	1		3	1		1	
Liberty	5	3				1					
Marcus								1			
Martinez	1	1	1			3					
Oakley					2		2				
Orinda	1						1				
Pittsburg	1							1			
Walnut Creek				1			1				
SELPA	2	2	1	1	15		2		3	2	1
Total	20	8	2	4	19	4	11	4	3	3	1

Recommendations

The SELPA should:

1. Continue provided information regarding staff development through e-mails and the SELPA Web site.
2. Expand the SELPA database to include the number of participants who attended each training session by district and position. The SELPA should provide this information to the special education directors and superintendents.
3. Ensure that staff development meets the needs of new teachers, experienced staff members, instructional aides and parents.
4. Rotate the location of SELPA-wide training sessions so that staff members in all areas of the SELPA have access.

SELPA Policies

The SELPA local plan indicates that policies governing the SELPA are adopted by the Governance Council and included as part of the plan. The Governance Council is the policy-making body for the SELPA and its member LEAs. The policy agreements, regulations and procedures adopted by the Governance Council under the authority of the adopting LEA board have the same status as other LEA board policies and may be contained in a variety of documents approved by the Governance Council. The SELPA staff implements the policies and decisions of the Governance Council.

A review of SELPA policies for consistency with state and federal law found that only Policy 3100 requires revision. Page one of Policy 3100, Special Education Resource Allocation, includes the following statement:

If additional funds are received beyond those anticipated, they would be apportioned to the Administrative Unit for deposit to SELPA accounts. Additional funds will be distributed according to SELPA policy.

A legal opinion sought by the SELPA suggested that the language should be amended. A FCMAT review agreed with that assessment, finding that the language is vague. A revision that provides more clarity will facilitate the process if further unanticipated federal or state funds are received.

Section 3b of Policy 3100 states on page three as follows:

If the County agrees, all LCI students from the LEA placed in County Programs will be transferred to the County as “LEA of residence”. Transportation and due process, among others, shall be the responsibility of the County in such cases. Transfer will be proposed by December 1 for implementation in the following school year.

The Education Code prohibits residency from being transferred to the county office. Therefore, the language that provides for the transfer of residency should be replaced with appropriate language.

Recommendations

The SELPA should:

1. Amend Policy 3100, Special Education Resource Allocation, to delete the language “Additional funds will be distributed according to SELPA policy” and replace it with “Such funds will be guided by SELPA policy.”

2. Amend section 3.b. of the policy to omit language assigning residency to the county office since this is prohibited by the Education Code.
3. Continue to monitor and revise SELPA policies to ensure they remain in compliance with federal and state laws.

Staffing and Caseload

Comparative data used for the analysis of county office caseloads was developed by School Services, Inc. an educational consulting firm.

Comparison of Average Caseloads to Caseload Guidelines from School Services of California, Inc. 2008

Provider	Guideline	Contra Costa County Office
Deaf and Hard of Hearing	20-30	Avg. 35
Visually Handicapped Itinerant & Orientation and Mobility	10-30	Avg 23
Adapted Physical Education	45-55	Avg. 34
Occupational therapy	20-35	Avg. 36
Speech Pathologists	55	Avg. 46
Social Worker	20-30	Avg. 41

As shown in the table above, a comparison of caseloads for itinerant special education staff at the county office found that most are at or slightly above the caseload guidelines established by School Services, Inc. The county office plans to reduce the itinerant staff for the visually impaired by .8 FTE during the 2009-10 school year. Social workers operate significantly above the caseload guidelines; however, no inefficiencies were found during staff interviews. Caseloads for adapted physical education operate below the guidelines, and the county should consider a staffing reduction in this area.

Comparison of Caseloads for SDC, RSP (ISP) classes at the Contra Costa County Office of Education

SDC Classroom	Guidelines	Contra Costa COE
Emotionally Disturbed	8-10 students, 2 aides	Avg. 8 students, 1 aide
Severely Handicapped	8-10 students, 2 aides	Avg. 10 students, 1 aide
Multiple Handicapped	8-10 students, 2 aides	Avg. 10 students, 2 aides
Autism (Intensive)	8 students, 2 aides	Avg. 7 students, 3 aides

The county office operates with fewer instructional aides in classrooms than recommended in the guidelines for the emotionally disturbed, severely handicapped and multiply handicapped. Intensive autism classrooms operate with a standard ratio of 1:1.5, which is higher than recommended guidelines.

The county office operates SDC class ratios within the guidelines for student enrollment and below average guidelines for instructional aides.

FCMAT has no information on the numbers of “floater” aides” added to classroom supports. This could affect the overall ratio of aide support.

**Comparison of Caseloads and Class Sizes in Designated SELPA Districts with
School Services, Inc. Guidelines 2008**

School District	SSC Guidelines	District caseloads/class size
Acalanes High School District	RSP =28 SDC/NSH = 12-15 SDC/SH = 8-10	ISP =24 SDC = 13
Antioch	RSP = 28 SDC/NSH = 12-15 SDC/SH = 8-10	RSP= 22 SDC/NSH = 15 SDC/SH = 11 SDC/DHH = 5
Oakley	RSP = 28 SDC/NSH = 12-15 SDC/SH = 8-10	RSP/ISP = 20 SDC = 8-10
John Swett	RSP= 28 SDC/NSH = 12-15 SDC/SH = 8-10	
Pittsburg	RSP = 28 SDC/NSH = 12-15 SDC/SH = 8-10	RSP = 18 SDC = 7
Walnut Creek	RSP = 28 SDC/NSH = 12-15 SDC/SH = 8-10	

Recommendations

The county office should:

1. Eliminate 1 FTE APE position and maintain caseloads with recommended guidelines.
2. Follow through with proposed reduction in services for the visually impaired.
3. Continue to evaluate the efficiencies of social worker caseloads.

One-to-One Aides

Guidelines for one-on-one aides are included in the SELPA procedure manual under the section titled “Procedural Guidelines for Determination of Additional Paraprofessional Support Needs through the Individual Education Plan.” These guidelines include staff forms and a review of the natural resources and specific needs that a student should have before the assignment of a one-on-one aide. The guidelines also include information relevant to students in most school settings; however, these may not be as relevant to those in programs for the most severely disabled and those in preschool.

The guidelines are generally effective, but are often not followed. Staff members indicated that some parents request and receive the services of one-on-one aides for their children without reference to the guidelines. Some district staff members are not trained to use the guidelines effectively, and others are unaware they exist even though they make important decisions on providing the services of one-on-one aides.

Information obtained for the initial student placement is rarely updated for the annual or triennial review although the guidelines require these reviews. These meetings include discussion of one-on-one aide services, but without the data necessary to make an informed decision. The guidelines indicate that a student’s IEP should include goals that increase independence. Staff members indicated that these goals are often included, but without a plan to transition the student away from one-to-one aide services. The guidelines do not list the tasks of one-on-one instructional aides when their assigned students are absent or how students should be served when their aides are absent.

County office aides work 5.5 hours or more daily with the exception of an aide who works one hour a day. Instructional aides in a county office program are assigned following an IEP meeting that includes the district. The district is billed \$2,000 a month for aide services with one exception in which the district is billed \$2,300 a month. County office programs serve 566 special education students, 18 with one-on-one aides funded by the district and four with aides paid by the county office. The county office and district have a specific agreement for district-paid aides.

Recommendations

The SELPA should:

1. Continue using one-on-one SELPA guidelines.
2. Consider using the term “special circumstance aide” for these instructional aides since this communicates that the services provided by these positions are not permanent.

3. Train the staff to use the guidelines more effectively, including how to gather information from staff and parents, how to use natural supports to assist a student, which documents in the guidelines must be completed at the annual review, and how to write a plan for ending one-on-one aide support when appropriate.
4. Include in the guidelines suggestions on hiring part-time positions whenever possible, the aides' tasks when students are absent, and procedures for the district/county when an aide is absent.
5. Review the specific documents in the guidelines in conjunction with staff members that represent more severe populations and preschool populations. Changes should be made as appropriate.

The county office should:

6. Continue to monitor the use of one-on-one aides and hire part-time aides whenever possible to reduce total cost and ensure that students receive additional aide support only when required.
7. Consistently apply the billing of one-on-one aides.

Transfer of Programs

Although Policy 3100 was recently modified to address the concern over the cost of county office programs, concerns remain regarding the rate per pupil charged to the district of residence when a pupil is enrolled in a county-office-operated program.

The revision to Policy 3100 requires the county office to “present an annual accounting of special education revenues and expenses with a proposal for the following year’s per-pupil rate,” but the format for presenting the data has not been approved.

A review of the county office’s 2008-09 special education program certification report prepared by the SELPA found a significant difference between the total cost for the county office’s special education program (\$18,227,673) and the total cost charged to districts from the SELPA allocation plan (\$12,854,400). The county office business staff indicated that additional revenue sources are allocated to offset the cost of the special education program beyond the funding received from the SELPA allocation plan. These additional funding sources account for the difference.

Much of the confusion regarding county revenues would be dispelled if property taxes were excluded from allocations to districts or the SELPA adopted a fee-for-service operational model.

Only one district in the SELPA expressed interest in assuming the responsibility for providing special education services to its students. It would be difficult for a district to operate these programs as cost-effectively as the county office, which has trained and experienced staff members to address the complex and severe needs of this population. The county office also has a close relationship with other public and private agencies that work with these students and their families. Further, the facilities serving special education students are already adapted to meet the needs of this population. Most districts would have none of these advantages.

Compared to similar SELPAs, the Contra Costa SELPA offers a cost-effective program. The following table was included in response to concerns about the per-pupil cost of the county office program. Based on a comparison with three other county offices the Contra Costa County Office of Education’s program costs are clearly lower. Since there is no accepted or standard procedure for comparing program costs throughout the state, caution should be exercised in comparing costs from one agency to another. Even with the SACS accounting system, LEAs vary in what they charge to special education. The amount of direct support, allocated support and indirect costs that is charged to special education also varies. Some variation also occurs in the amount of nonsalary costs charged, such as equipment, supplies and travel.

COE	Contra Costa COE	San Joaquin COE	Santa Barbara COE	Ventura COE
Programs	SH, ED Preschool	SH, ED Preschool	SH, ED Preschool	SH, Preschool
School Year	2008-09	2007-08	2007-08	2007-08
Total Cost	\$15,291,380	\$17,120,201	\$12,806,816	\$16,945,335
Total Pupils Served	571	470	355	456
Cost Per Pupil	\$26,780	\$36,426	\$36,076	\$37,162
Extended Year	Yes	Yes	No	Yes

The figure shown for the Contra Costa county office in the table above was used to establish the fee for county office services in the 2008-09 fiscal year. This is well above the \$12,854,400 actually transferred to the county office for those fees and well below the \$18,227,673 it actually cost to operate these programs. The total county office program costs were accounted for in establishing the \$26,780 per-pupil rate for 2008- 09. If actual costs were used, the cost per pupil would have risen to \$30,010, still well below that of the other county offices.

In a 2008 communication to the county superintendent, fiscal consultant Linda Grundhoffer wrote the following:

In confirming the revenues that the COE received in each year, it was necessary to review the SELPA's distribution and allocation worksheets. After discussions with the SELPA on how the funding for the County Office is determined I was able to understand the differences between what appeared on the allocation spreadsheet and how the dollars were recorded by object. The method of allocation has become complicated over the years and it is understandable why communications between the SELPA, districts, and county have become strained in regard to revenue sources.

There is a need for transparency about the cost of running the County programs. The current methodology of an automatic increase each year, especially that of the statutory COLA, is not appropriate, as evidenced by the attached projections for 2009-10.

Develop a format by which the County Office will report their revenue and expenditures to the Governance Council, by object and program, at year-end closing. This format would also be used to update the Governance Council on current year revenues and expenditures at least once at mid-year. This would be similar to the interim reporting that districts understand and are required to do for our own boards.

FCMAT strongly agrees with these recommendations. According to the last point, a suggested format should include the following

- A listing of staff members as well as their individual full-time equivalencies, salaries and benefits costs by job classification
- Nonsalary costs by object code
- Allocated support costs listed by type of support
- Calculation of indirect costs

In addition, revenue should be listed by description type. All revenue streams should be included, especially those allocated from sources beyond restricted special education funds. The Governance Council should approve a format that could be used to calculate the actual cost per pupil in 2008-09.

The appendix section of this document includes a sample summary of this type of report from a SELPA using the fee-for-service model and a sample format for listing the direct teacher, instructional assistant, related services, support, administration and clerical staff. These are necessary to document the certificated salaries, classified salaries and employee benefits costs in the fee-for-service calculation.

Recommendations

The Governance Council and county office should:

1. Develop and adopt an agreed-upon method for the county office to report its revenues and expenditures by resource and goal at least annually for the special education programs it operates. This report should be part of any allocation information packet produced for the use of the Governance Council.

The SELPA and county office should:

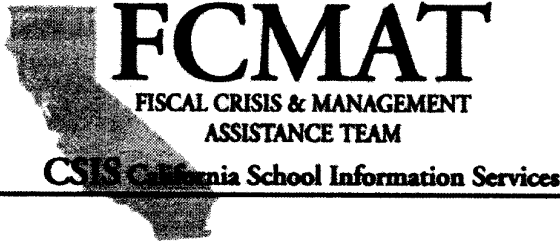
2. Reach agreement on how county special education property tax should be displayed in the allocation model and spreadsheets. The current method creates confusion, misunderstanding.

Appendices

- A. Sample Fee-for-Service Model Documents
- B. Study Agreement

SONOMA COUNTY OFFICE OF EDUCATION
 SPECIAL EDUCATION
 6 - 22 PROGRAM
 2007-08 BUDGET 2008-09 BUDGET
 2009-10 ADOPTED/REVISED BUDGET

Descriptions	Object Code	2007-08	2008-09		2009-10	
		Unaudited Actuals	Adopted Budget	Unaudited Actuals	Budget Development	October Revise
Revenues						
Lottery	8XXX	47,734.00	52,000.00	50,390.00	49,050.00	49,050.00
Interest	8XXX	90,657.00	90,000.00	28,138.00	35,000.00	35,000.00
Fee for Service Revenue	8XXX	12,474,742.00	13,287,000.00	12,771,411.00	13,596,000.00	13,754,000.00
Local Revenue	8XXX	37,353.00	25,000.00	44,289.00	25,000.00	25,000.00
LCI Reimbursable	8XXX	212,913.00	225,000.00	188,025.00	250,000.00	250,000.00
Total Revenue		12,863,399.00	13,679,000.00	13,082,253.00	13,955,050.00	14,113,050.00
Expenditures						
Certificated Salaries	1XXX	4,688,296.00	5,043,074.00	4,844,755.00	5,003,680.00	5,003,680.00
Classified Salaries	2XXX	2,619,144.00	2,885,246.00	2,845,286.00	2,896,325.00	2,896,325.00
Employee Benefits	3XXX	2,882,024.00	3,276,282.00	3,204,554.00	3,480,768.00	3,480,768.00
Books & Supplies	4XXX	101,682.00	141,945.00	182,567.00	160,145.00	160,145.00
Operating Expenses	5XXX	1,194,585.00	1,524,531.00	1,570,491.00	1,579,015.00	1,579,015.00
Capital Outlay	6XXX	0.00	0.00	0.00	0.00	0.00
Other Outgo	7XXX	873,636.00	1,036,630.00	929,165.00	898,715.00	898,715.00
Total Expenditures		12,359,367.00	13,907,708.00	13,576,818.00	14,018,648.00	14,018,648.00
Revenue Excess over Expenditures		504,032.00	(228,708.00)	(494,565.00)	(63,598.00)	94,402.00
Maintenance Repair Fund Transfer @ 3% Contributions		150,000.00	150,000.00	242,220.00	150,000.00	150,000.00
Beginning Balance (carryover to offset the fee)		706,370.00	1,060,492.00	1,060,492.00	323,707.00	323,707.00
Actual/Estimated Ending Balance		1,060,492.00	681,784.00	323,707.00	110,109.00	268,109.00
2007-08 Fee for Service		28,700.00				
(Based on the Fee for Service revenue divided by 435 students)						
April 2008 - 2008-09 Estimated Fee for Service			30,900.00			
(Based on the Fee for Service revenue divided by an estimated 430 students)						
2008-09 Fee For Service				26,700.00		
(Based on the Fee for Service revenue divided by 478.33 students)						
April 2009 - 2009-10 Estimated Fee for Service					30,900.00	
(Based on the Fee for Service revenue divided by an estimated 440 students)						
October 2009 - 2009-2010 Estimated Fee for Service						29,900.00
(Based on the Fee for Service revenue divided by an estimated 460 students)						



**FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM
STUDY AGREEMENT
*August 13, 2009***

The FISCAL CRISIS AND MANAGEMENT ASSISTANCE TEAM (FCMAT), hereinafter referred to as the Team, and the Contra Costa County Office of Education, hereinafter referred to as the COE, mutually agree as follows:

1. BASIS OF AGREEMENT

The Team provides a variety of services to school districts and county offices of education upon request. The COE has requested that the Team provide for the assignment of professionals to study specific aspects of the Contra Costa County SELPA and COE operations. These professionals may include staff of the Team, County Offices of Education, the California State Department of Education, school districts, or private contractors. All work shall be performed in accordance with the terms and conditions of this Agreement.

2. SCOPE OF THE WORK

A. Scope and Objectives of the Study

1) Special Education

- a) Review Allocation funding model, and compare with other comparable SELPAs and make recommendations, if necessary to improve equitable allocations to all districts.
- b) Review governance structure of SELPA and make recommendations for improving communication, transparency and improved decision making.
- c) Review regionalized dollars and how they are disseminated by the SELPA
- d) Review role and responsibilities of program specialists, how they are assigned. Make recommendations on how to improve and maximize program specialist dollars and services.
- e) Review how districts operate collaboratively within the SELPA with regards to accessing resources and support.
- f) Review how staff development is provided to district staff on an equal basis throughout the county.
- g) Review SELPA policies to assure they are current and consistent with federal and state laws.
- h) Review staffing and caseloads of programs and make recommendations on efficiency. Review all COE programs, and random sample of some district programs.

- i) Review 1-1 aide policy, procedures and staffing ratios and determine whether process is effective and make recommendations to improve efficiency and effective use of assigned aides to special education.
- j) Review COE operated programs and determine whether some programs would be more cost effective if operated by districts. Determine capacity of districts to operate additional programs (such as facilities, staffing etc)

B. Services and Products to be Provided

- 1) Orientation Meeting - The Team will conduct an orientation session at the COE and SELPA to brief COE and SELPA management and supervisory personnel on the procedures of the Team and on the purpose and schedule of the study.
- 2) On-site Review - The Team will conduct an on-site review at the COE and SELPA office and at school sites if necessary.
- 3) Progress Reports - The Team will hold an exit meeting at the conclusion of the on-site review to inform the COE and SELPA of significant findings and recommendations to that point.
- 4) Exit Letter - The Team will issue an exit letter approximately 10 days after the exit meeting detailing significant findings and recommendations to date and memorializing the topics discussed in the exit meeting.
- 5) Draft Reports - Sufficient copies of a preliminary draft report will be delivered to the COE and SELPA administration for review and comment.
- 6) Final Report - Sufficient copies of the final study report will be delivered to the COE and SELPA following completion of the review.
- 7) Follow-Up Support – Six months after the completion of the study, FCMAT will return to the COE and SELPA, if requested, to confirm the COE and SELPA’s progress in implementing the recommendations included in the report, at no cost. Status of the recommendations will be documented to the COE and SELPA in a FCMAT Management Letter.

PROJECT PERSONNEL

The study team will be supervised by Anthony L. Bridges, Deputy Executive Officer Fiscal Crisis and Management Assistance Team, Kern County Superintendent of Schools Office. The study team may also include:

- A. Dr. William Gillaspie, FCMAT Chief Management Analyst
- B. James “Sarge” Kennedy, FCMAT Special Education Consultant
- C. Jack Lucas, FCMAT Special Education Consultant
- D. JoAnn Murphy, FCMAT Special Education Consultant
- E. Anne Stone, FCMAT Special Education Consultant
- F. Trina Frazier, FCMAT Special Education Consultant

Other equally qualified consultants will be substituted in the event one of the above noted individuals is unable to participate in the study.

4. PROJECT COSTS

The cost for studies requested pursuant to E.C. 42127.8(d) (1) shall be:

- A. \$500.00 per day for each Team Member while on site, conducting fieldwork at other locations, preparing and presenting reports, or participating in meetings.
- B. All out-of-pocket expenses, including travel, meals, lodging, etc. Based on the scope of work identified in section 2 A, estimated total cost is \$33,300.00. The COE will be invoiced at actual costs, with 50% of the estimated cost due following the completion of the on-site review and the remaining amount due upon acceptance of the final report by the COE.
- C. Any change to the scope will affect the estimate of total cost.

Payments for FCMAT services are payable to Kern County Superintendent of Schools-Administrative Agent.

5. RESPONSIBILITIES OF THE COE AND SELPA

- A. The COE and SELPA will provide office and conference room space while on-site reviews are in progress.
- B. The COE and SELPA will provide the following (if requested):
 - 1) A map of the local area
 - 2) Existing policies, regulations and prior reports addressing the study request
 - 3) Current organizational charts
 - 4) Current and four (4) prior year's audit reports
 - 5) Any documents requested on a supplemental listing
- C. The COE and SELPA Administration will review a preliminary draft copy of the study. Any comments regarding the accuracy of the data presented in the report or the practicability of the recommendations will be reviewed with the Team prior to completion of the final report.

Pursuant to EC 45125.1(c), representatives of FCMAT will have limited contact with COE and SELPA pupils. The COE and SELPA shall take appropriate steps to comply with EC 45125.1(c).

6. **PROJECT SCHEDULE**

The following schedule outlines the planned completion dates for key study milestones:

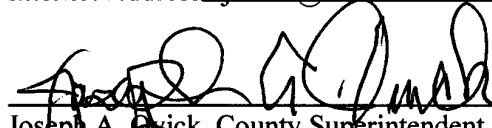
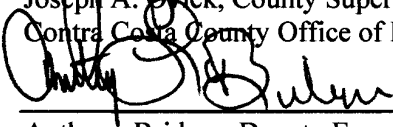
Orientation:	October
Staff Interviews:	to be determined
Exit Interviews:	to be determined
Preliminary Report Submitted:	to be determined
Final Report Submitted:	to be determined
Board Presentation:	to be determined
Follow-Up Support:	If requested

7. **CONTACT PERSON**

Please print name of contact person: Dr. Joseph A. Ovick, Superintendent

Telephone (925) 942-3388 FAX _____

Internet Address jovick@cccoc.k12.ca.us

	<u>8/19/09</u>
Joseph A. Ovick, County Superintendent Contra Costa County Office of Education	Date
	<u>August 13, 2009</u>
Anthony Bridges, Deputy Executive Officer Fiscal Crisis and Management Assistance Team	Date