

FRESNO COUNTY CHARTER SPECIAL EDUCATION LOCAL PLAN AREA

Approved: November 8, 2023

Policy Title: Funding Allocation Plan

This plan is designed around core principles that include (1) the acknowledgement that stability and predictability of funding are critically important, (2) that timely and accurate projections with no wide variances are needed, (3) that timely and accurate distribution of cash is needed, (4) that there should be a reasonable and consistent rationale developed with a standard of fairness and equitability, and (5) that there must be transparency. This Funding Allocation Plan is effective 2023-24.

The following sections are included in this plan:

- Responsible Local Agency and Administrative Unit
- State Special Education Base Grant Funding
- Federal Special Education Funding
- Out-of-Home Care Funding
- Low Incidence Funding
- Program Specialists/Regionalized Services Funding
- Administrative Fee
- Legal Cost Pool
- SELPA Reserve
- Charter LEA Fund Balances – Unspent Funds
- Charter LEA Income Reallocation
- Mandated Fiscal Reporting
- Contracted Services
- Charter LEA Closure
- Definitions

A. Responsible Local Agency and Administrative Unit

The Fresno County Superintendent of Schools (“FCSS”) is the designated Administrative and Fiscal Agency for the Fresno County Charter SELPA (“SELPA”). Other terms used to describe this designation are Responsible Local Agency (“RLA”) and Administrative Unit (“AU”).

B. State Special Education Base Grant Funding

The California Department of Education (“CDE”) allocates state special education base grant funding for the purpose of providing special education and related services to students with an IEP. It is commonly referred to as AB 602 funding. CDE calculates this funding based upon a formula referenced in California Education Code Section 47644. In

general, it is apportioned for the higher of each unit of average daily attendance for the current fiscal year, the prior year, or the second prior year.

Specifically, per Education Code 47644, “For each charter school deemed a local educational agency for the purposes of special education, an amount equal to the amount computed pursuant to Section 56836.08 for the special education local plan area in which the charter school is included shall be apportioned by the Superintendent of Public Instruction pursuant to the local allocation plan developed pursuant to subdivision (i) of Section 56195.7 or Section 56836.05, or both. If the charter school is a participant in a local plan that only includes other charter schools pursuant to subdivision (f) of Section 56195.1, the amount computed pursuant to Section 56836.11, as adjusted pursuant to the incidence multiplier set forth in Section 56836.155, shall be apportioned by the superintendent of each unit of average daily attendance reported pursuant to subdivision (a) of Section 56836.06.”

The SELPA shall allocate this funding for each Charter Local Educational Agency (“LEA”) based upon the same unit of average daily attendance that is used for the CDE apportionment and adjustments-and-prior-year-recomputations, less fees, reserves, and other set-aside requirements described herein.

Cash Disbursements are based upon CDE’s apportionment schedule. The schedule is calculated using an advanced apportionment amount at the beginning of the fiscal year, an updated amount based upon the P-1 Certification no later than February 20th, a final amount for the fiscal year based upon the P-2 Certification no later than July 2nd of each year, and any Adjustments and Prior Year Recomputations in the following two fiscal years.

C. Federal Special Education Funding

CDE allocates federal special education funding for the purpose of providing for the *excess costs* of special education and related services to children with disabilities ages six through twenty-one. It is a part of the Individuals with Disabilities Education Act and is commonly referred to as IDEA funding.

CDE calculates this funding based upon a federal three-part formula that is outlined by CDE and included here:

1. A base amount of \$323,428,031 determined using the December 1999 California Special Education Management Information System (CASEMIS) pupil count;
2. 85% of the remainder using Prior Year K-12 enrollment (Public and Private school);
3. 15% of the remainder using Prior Year K-12 poverty (Free and Reduced Meal Counts).

The SELPA shall allocate this funding based upon each Charter LEA’s enrollment count for ages, as reported on California Basic Educational Data System (“CBEDS”) of the prior fiscal year, which is typically collected in October. Due to

size and scope, the unique makeup of each Charter LEA and the federal reporting requirements, the SELPA may adjust the allocations if needed.

Cash Disbursements are based upon the CDE timeline once an IDEA expenditure claim from the SELPA to CDE is received, reviewed, and approved.

D. Out of Home Care Funding

CDE allocates funding for foster youth, short-term residential therapeutic program placement, and children and youth placed by the State Department of Developmental Services in community care facilities, intermediate care facilities, and skilled nursing care facilities.

The SELPA shall allocate the funding for each Charter LEA based upon the same unit of average daily attendance that is used for the Special Education Base Grant Funding.

Cash Disbursements are based upon CDE’s apportionment schedule. The schedule is calculated using an advanced apportionment amount at the beginning of the fiscal year, an updated amount based upon the P-1 Certification no later than February 20th, a final amount for the fiscal year based upon the P-2 Certification no later than July 2nd of each year, and any Adjustments and Prior Year Recomputations in the following two fiscal years.

E. Low Incidence Funding

CDE allocates funding to support special education and related services as required under the IEP for each pupil with low-incidence disabilities. CDE calculates this funding by dividing the total number of pupils with low-incidence disabilities in the state, as reported on the prior fiscal year.

The SELPA shall retain this funding at the SELPA-level as it is responsible for reporting these funds in the Annual Budget Plan. Charter LEAs are eligible to access this funding through the appropriate referral forms as described in the SELPA Low Incidence Policy and Procedures. Funding is limited, and when they are exhausted, it becomes the Charter LEA’s responsibility to cover the remaining costs.

Cash Disbursements are based upon (1) CDE’s apportionment schedule, and (2) a Charter LEA request to the SELPA that is received, reviewed, and approved.

F. Program Specialists/Regionalized Services Funding

CDE allocates funding for program specialists and administration of regionalized operations services. CDE calculates this funding based upon a formula referenced in California Education Code Section 56836.24. In general, it is apportioned for each unit of average daily attendance for the current fiscal year.

The SELPA shall retain this funding at the SELPA-level to provide these services pursuant to Section 56836.10 for regionalized operations and services and the direct instructional support of program specialists. As a condition of receiving those funds,

the SELPA shall ensure that all functions listed in Education Code Section 56836.23 are performed in accordance with the description set forth in the Local Plan adopted pursuant to Education Code Section 56205.

G. Administrative Fee

It is the intent of the SELPA to provide appropriate administrative support as described in the Local Plan. Therefore, the SELPA shall adjust each Charter LEA's State Special Education funding by one of the following percentages against both the State and Federal Special Education funding, excluding both the Low Incidence and the Program Specialists and Administration of Regionalized Operations and Services funding for the SELPA to provide Administrative Services. The Charter LEA's years in the SELPA, as well as its good standing, shall determine the appropriate rate listed below:

- 6% in Year One,
- 5% in Year Two,
- 4% in Year Three and subsequent years, if the Charter LEA is in Good Standing, as defined.

If a Charter LEA was charged an Administrative Fee of 4% or 5% as a prior year member of another Charter SELPA, and the Charter LEA was in Good Standing, as defined herein, the Charter LEA may begin with 4% or 5% in Year One.

The rate for Organizational Charter LEAs is based upon the original date of entry. For example, if the Organizational Charter LEA qualifies for a 4% rate based on five years of membership, the expansion charter would be treated the same and receive the 4% rate.

The fee does not apply to other grant dollars received by the SELPA. However, the SELPA may charge an appropriate indirect rate for specific grants that are administered by the SELPA.

The SELPA shall notify each Charter LEA by April 15th, if practicable, but not later than June 1st, if it is deemed eligible for the 4% administrative fee for the following fiscal year. Once a Charter LEA receives approval for the 4% fee, it continues unless changed by a failure to maintain good standing. The SELPA shall notify each Charter LEA by April 15th, if practicable, but not later than June 1st, if the Charter LEA is no longer in good standing or no longer eligible for the 4% administrative fee for the following fiscal year.

H. Legal Cost Pool

It is the intent of the SELPA to provide partial reimbursement to Charter LEAs for qualifying legal expenditures associated with a due process filing. Therefore, a Legal Cost Pool shall be established using funds from sources such as (1) Modified funding from Charter LEAs that are in the process of building programs, but are not yet able to fully expend the allocation of state dollars (greater than 25% unspent), and (2) Modified funding from Charter LEAs that have closed operations and have failed to submit documentation that would allow for the release of funds being held.

The SELPA Administrator or designee *must* be notified as soon as practicable that a complaint or due process has been filed. The Legal Pool is established with the understanding that mediation and/or alternative dispute resolution are strongly encouraged. The SELPA has trained individuals in the area of mediation to assist Charter LEAs with the alternative dispute resolution process.

Legal reimbursements for claims may cover up to 60% of qualifying expenditures, not to exceed \$18,000. The Executive Committee may consider any unique circumstances as presented, using reasonable judgment. Claims in which the SELPA advised the Charter LEA against Due Process or claims in which the Charter LEA has been determined to be negligent, may be either adjusted or disapproved for reimbursement.

I. SELPA Reserve

It is the intent of the SELPA to maintain a SELPA-wide financial reserve sufficient to support unforeseen costs and to protect the fiscal solvency of the SELPA. Therefore, all Charter LEAs will contribute a one-time amount of \$5 per current year AB 602 K-12 P-2 ADA in their first year of entry. "All new charters" includes charter school expansions of current Charter LEAs.

This contribution is non-refundable and placed in a shared risk pool.

In addition, any recapture of unexpended state funds will be deposited into this reserve.

Use of the funds deposited in this reserve is at the discretion of the Executive Committee and will be determined on an annual basis. The intent of the funds is to offset potential SELPA funding decreases because of the action of a member, where there is no recourse to recover the funds from the member. The Charter SELPA Administration will exercise all due diligence in attempting to recover funds from the member. However, in the case of a closure or bankruptcy, this may not be possible. Other issues that might arise include the following:

- Funding adjustments because of disallowed ADA with no ability to recover from the member.
- Funding adjustments because of disallowed expenditures at the State or Federal level with no ability to recover from the member.

- Funding adjustments because of other actions from a member, with no ability to recover from the member.

The Charter SELPA Administration will report at least annually to the CEO Council on the use of funds and the balance available.

J. Charter LEA Fund Balances – Unspent Funds

It is the intent of the SELPA that all special education funding is distributed not only equitably, but also in a manner that maximizes the support of all services provided within the SELPA. To ensure that all special education funding is maximized, and that SELPA-wide or Charter LEA-specific Maintenance of Effort (MOE) is not impacted, Charter LEAs must submit budget and/or expenditure reports throughout the fiscal year demonstrating their intent to expend all allocated funds (see Mandated Fiscal Reporting).

When a Charter LEA has unspent special education funds, as adjusted by September 30 for the prior fiscal year, the following shall occur:

Unspent Funds that are less than 25%

The Charter LEA must provide a budget justification to receive Federal funds in the next year.

The Charter LEA will be subject to significant budget and program review to determine if they qualify for Federal funds in the following year.

Additional factors that may result in ineligibility to receive Federal funds include the following:

- Special Education Pupil Counts that are less than 4% of the total enrollment
- Multiple years of unspent funds
- Fiscal solvency and audit issues
- Leadership issues that cast doubt on the capacity of the Charter to be a Member LEA for special education purposes

Unspent Funds that are equal to or greater than 25%

The Charter LEA may be ineligible for Federal funds in the following year, on a case-by-case basis. The Charter LEA may be moved to a reimbursement-based state funding cash flow, with the intent that a Charter LEA shall spend the prior year unspent funds first.

The SELPA shall establish a procedure and process to ensure monthly expenditure reporting by the Charter LEA, with timely distribution of cash when the Charter LEA has demonstrated eligibility by spending prior year carryover. Monthly cash flow payments would not exceed cash distributions under the monthly cash apportionment process.

If need is not demonstrated, based on the final expenditures reported, the funds will be allocated the next year to the SELPA Legal Cost Pool.

K. Charter LEA Income Reallocation

It is the intent of the SELPA that Organizational Charter LEAs and Joint Powers Authorities (JPAs) have the flexibility to reallocate funds among their Charter Schools, as (1) they have varying needs among their schools and (2) the reallocation may better match income to special education expenditures.

Education Code Section 56836.05(b) provides the authority to SELPAs to develop an allocation plan at the SELPA governance level in order to distribute funds to the LEAs within the SELPA. A provision is made herein for the local authority of the Organizational Charter LEA or JPA to reallocate these funds between their Charter Schools, provided that such action is within their operational structure.

The final reallocation will occur in the months of August and September following the close of the prior fiscal year, with a final reallocation completed by October 1. The Organizational Charter LEA or JPA must submit documentation of Board action to the Charter SELPA in a prescribed format that outlines the funds reallocated between their Charter Schools.

L. Interest Revenue

It is the intent of the SELPA that all interest revenue identified in the Special Education Pass-Through Fund shall be allocated to the SELPA Reserve and shall be a part of the annual Treasurer's Report. .

Additionally, Title 2, Code of Federal Regulations (CFR), Part 200, Section 200.305, requires grantees and sub-grantees to remit interest earned on advances to the federal agency. The Federal Special Education Funding is not an advance; it is a reimbursement based upon the Federal Expenditure Reports.

M. Mandated Fiscal Reporting

The Charter LEAs and the SELPA shall follow all federal, state and local reporting requirements. Reports must be submitted in their entirety and within the timeline to the SELPA for approval and in a format or on forms prescribed by the SELPA. Special education expenditures must be available by the Resource and Object fields described in the California School Accounting Manual ("CSAM").

- Budget Adoption Reports for the fiscal year are due July 1.
- First Interim Reports for the period ending October 31 of the fiscal year are due no later than December 15.
- Second Interim Reports for the period ending January 31 of the fiscal year are due no later than March 15.
- Unaudited Actuals are due September 15 following the fiscal year.
- Audit Reports are due no later than December 15 following the fiscal year.

The reports shall be maintained and made available by the Charter LEA for public review. The SELPA may conduct a detailed fiscal review of those documents for

technical accuracy and reasonableness and may provide the final report to the appropriate agency.

If a Charter LEA is identified as noncompliant, special conditions may be imposed. The SELPA Administrator is authorized to withhold partial or total funding. Charter LEAs with sanctions will receive notification of special conditions. No payments may be released to Charter LEAs with special conditions until the SELPA receives written notification from the Charter LEA agreeing to the special conditions.

If a Charter LEA is identified for financial risk or potential insolvency, as determined by the SELPA, special conditions may be imposed. The SELPA Administrator is authorized to withhold partial or total funding. Charter LEAs with sanctions will receive notification. No payments may be released to Charter LEAs with special conditions until the SELPA receives and approves expenditure claims for special education expenditures.

Maintenance of Effort (MOE) Reports

Charter LEAs may use either the State Account Code Structure Software (“SACS”) or the SELPA’s Alternative Form for these reports. Regardless of which form the Charter LEA will use, the SELPA will send each Charter LEA the most current Charter School Alternative Form(s) as an option. The MOE Eligibility and Compliance reports, whether using SACS or the Alternative Form, are due to the SELPA on or before September 15th of each year. An interim MOE Eligibility Report is due to the SELPA on or before March 15th of each year.

Excess Cost Report

The SELPA will send each Charter LEA the most current CDE-approved Excess Cost Calculation form and instructions. This report is due to the SELPA on or before September 15th of each year.

Federal Expenditure Reports

The SELPA will send each Charter LEA an expenditure report to complete, sign and return by the date specified. Supporting documentation of expenditures is required at each reporting period. These reports are due to the SELPA on the following dates:

- Report 1 for expenditures from July 1st to December 31st are due January 15th
- Report 2 for expenditures from January 1st to March 31st are due April 10th
- Report 3 for expenditures from April 1st to June 30th are due July 15th
- *Report 4 for expenditures from July 1st to September 30th are due October 15th
- Report 5 for expenditures from October 1st to December 31st are due January 15th
- Report 6 for expenditures from January 1st to June 30th are due July 15th
- Report 7 for expenditures from July 1st to September 30th are due October 5th

*Charter LEAs must also submit a budget plan on how the grant allocation will be expended in the following fiscal year, if the funds are not fully expenditure by Report 3.

Reimbursement Claims – The SELPA will send each Charter LEA the claim reimbursement request as appropriate.

Annual Budget Plan

The SELPA will send each Charter LEA the template for the Annual Budget Plan estimates. The report is due to the SELPA on or before February 28th of each year.

Treasurer's Report

The SELPA shall provide a Treasurer's report to the CEO Council each year after the SELPA has completed its unaudited actuals. This report shall include the prior year financial information for the SELPA Set-Aside funds such as the Legal Cost Pool, the SELPA Reserve, the LEA Reserve, the Interest Revenue, the Low Incidence funding, and the Mental Health Reserve.

N. Contracted Services

Charter LEA's may contract with FCSS for special education and related services. FCSS may choose not to contract, if staffing and/or services are unavailable.

Services include, but are not limited to, the following:

- Speech Language Pathology (SLP) Services
- Adapted Physical Education (APE) Services
- Psychological Services
- Special Education for Students with Disabilities

Charter LEA's will pay for such contracted services through a method outside of this Funding Allocation Plan, such as by invoice. However, if a Charter LEA fails to pay invoices, the SELPA may transfer such funds through other means, such as a deduction in funding or a transfer from the County Treasury.

O. Cash Advances for New Charters

As a result of the state apportionment process, Charter LEAs in their first year with the Fresno County Charter SELPA will not generate state special education funding until February of the following calendar year. Although CDE delays this funding, a Charter LEA is still responsible to provide special education and related services to students with disabilities.

To mitigate the cash disbursement delay for Charter Member LEAs in their first year, the Fresno County SELPA may offer a cash advance to these Charter LEAs in their first year. Conditions to this advance, such as required documentation, funding, interest, and repayment terms shall be established by the Responsible Local Agency and Administrative Unit.

P. Charter LEA Closure

In the event a Charter LEA closes, any outstanding apportionments will be processed upon the SELPA receiving the following required reports:

- Unaudited Actual Reports, as required by the authorizing district;
- Revised P2 and Annual Attendance reports, as required by the authorizing district;
- Final Audit Report;
- Final Federal Expenditure Report, approved by an external auditor;
- MOE Expenditure Report for the final fiscal year;
- Any outstanding Fee for Service charges, and
- Any additional state required information or documents.

Q. Definitions

“AB 602” means the funding to special education local plan areas based on the SELPA’s ADA and other data elements. The funding calculation for AB 602 can be found on the exhibits titled SELPA Special Education Funding Exhibit.

“Administrative Unit (AU)” means the school district or county office of education designated in the local plan as the administrative entity the duties of which shall include, but are not limited to, receiving and distributing regionalized services funds, providing administrative support, and coordinating the implementation of the plan. It has the same meaning as “Responsible Local Agency.”

“Annual Budget Plan” means the plan that is required from the SELPA to CDE. It must identify expected expenditures and include a description of services, the physical location of the services, and must demonstrate that all individuals with exceptional needs have access to services and instruction appropriate to meet their needs as specified in their IEP. Reference: Education Code Section 56205.

“California Department of Education (CDE)” means the agency within the Government of California that oversees public education. It has the same meaning as “State Education Agency (SEA).”

“Excess Costs” means those costs that are in excess of the average annual per-student expenditure in an LEA during the preceding school year for an elementary school or secondary school student, as may be appropriate. It is further defined in 34 CFR Section 300.16.

“Good Standing” means a Charter LEA that meets all the following criteria:

- Participates in the minimum CEO Council and Steering Committee requirements,
- Provides timely submission of all programmatic reporting, such as IEP and Pupil Count,
- Meets all programmatic compliance requirements,
- Provides timely submission of all financial reporting, such as MOE and Excess Costs,

- Meets all financial compliance requirements,
- Demonstrates expertise in the area of special education,
- Designates a first point of contact, other than the Charter LEA CEO, with expertise in special education, for the routine, day-to-day, special education issues.
- Failure to meet other responsibilities outlined in the SELPA Participation Agreement, the Local Plan, the Allocation Plan, and the Policies and Procedures.

“Individuals with Disabilities Education Act (IDEA)” means the four-part (A-D) piece of legislation that ensures students with a disability are provided with a Free Appropriate Public Education (FAPE) that is tailored to their individual needs.

“High Risk” means a Charter LEA, as determined by the Executive Committee, in consideration to criteria that may include, but not be limited to, the length of time in the SELPA, the Charter LEA’s financial stability as either a Single Charter LEA or Organizational Charter LEA, prior year audit findings, the Charter LEA’s declining average daily attendance history, and/or potential or ongoing special education compliance issues.

“Individualized Education Program (IEP)” means the plan that describes the child’s current abilities, sets annual goals and instructional objectives, and describes the educational services needed to meet these goals and objectives in accordance with Education Code Section 56032.

“Joint Powers Agency” or “Joint Powers Authority” means an agency or entity formed pursuant to the Joint Exercise of Powers Act (Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1) that is formed for the local performance of governmental functions that includes the provision of municipal services Reference: Government Code Section 56047.7.

“Local educational agency (LEA)” means a school district, a county office of education, a nonprofit charter school participating as a member of a special education local plan area, or a special education local plan area. Reference: Education Code Section 56026.3.

“Low incidence disability” means a severe disabling condition with an expected incidence rate of less than one percent of the total statewide enrollment in kindergarten through grade 12. For purposes of this definition, severe disabling conditions are hearing impairments, vision impairments, and severe orthopedic impairments, or any combination thereof. For purposes of this definition, vision impairments do not include disabilities within the function of vision specified in Section 56338. Reference: Education Code Section 56025.6.

“Maintenance of Effort (MOE)” refers to the Federal requirement that a State must not reduce the amount of State financial support for special education and related services for children with disabilities, or otherwise made available because of the excess costs of

educating those children, below the amount of that support for the preceding fiscal year. Reference: 34 CFR Section 300.163.

“Organizational Charter LEA” means a Charter SELPA Charter LEA that has two or more charters in the Charter SELPA under one organization (CMO/Non-Profit).

“Nonpublic, nonsectarian school (NPS)” means a private, nonsectarian school that enrolls individuals with exceptional needs pursuant to an individualized education program and is certified by the department. It does not include an organization or agency that operates as a public agency or offers public service, including, but not limited to, a state or local agency, an affiliate of a state or local agency, including a private, nonprofit corporation established or operated by a state or local agency, or a public university or college. A nonpublic, nonsectarian school also shall meet standards as prescribed by the Superintendent and board. Reference: Education Code Section 56034

“Nonpublic, nonsectarian agency (NPA)” means a private, nonsectarian establishment or individual that provides related services necessary for an individual with exceptional needs to benefit educationally from the pupils’ educational program pursuant to an individualized education program and that is certified by the department. It does not include an organization or agency that operates as a public agency or offers public service, including, but not limited to, a state or local agency, an affiliate of a state or local agency, including a private, nonprofit corporation established or operated by a state or local agency, a public university or college, or a public hospital. The nonpublic, nonsectarian agency shall also meet standards as prescribed by the superintendent and board. Reference: Education Code Section 56035

“Responsible Local Agency (RLA)” means the school district or county office of education designated in the local plan as the administrative entity the duties of which shall include, but are not limited to, receiving and distributing regionalized services funds, providing administrative support, and coordinating the implementation of the plan. Reference: Education Code Section 56030.

“Single Charter LEA” means a Charter SELPA Charter LEA with one County-District-School (CDS) code in the SELPA.