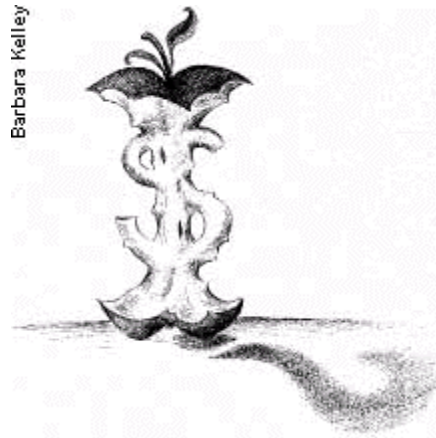


## Financial Management of Special Education in California



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May 16, 2007

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## **1. Abstract**

*I think Lincoln said it best. “Four score and seven years ago, our fathers brought forth on this continent, a new nation, conceived in Liberty, and dedicated to the proposition that all men are created equal.” (Lincoln, 1863) Every individual should be treated as an equal, regardless of race, economic predisposition, physical appearance, and gender in the eyes of God, government, and society. This basic concept is the framework for the administration of special education in the United States today. All citizens have the right to public education, regardless of any existing physical, mental, or behavioral disadvantages that may hinder their functioning in today’s society.*

## **2. Introduction**

Special education in the United States can be articulately summarized in the following definition: “Direct instructional activities or special learning experiences designed primarily for students identified as having certain disabling exceptionalities in one or more aspects of the cognitive process or as being underachievers in relation to general level or model of their overall abilities.” (Utah State Office of Education, 2007) In short, students classified under the umbrella of special education have a specific disability that requires a unique education framework. A child who suffers from a disease such as autism or a child who suffers from severe depression requires a more unique and specialized education plan than the regular student attending a public institution. Just because a child might not be able to attend the local public elementary school down the street because of his condition does not mean he foregoes his right to pursue a public education entirely.

Under the basic civil rights laws of the United States, all individuals have a right to public education, even those requiring special, more expensive education programs. According to the United States Department of Justice, “no qualified individual with a disability shall, on the basis of disability, be excluded from participation in or be denied the benefits of the services, programs, or activities of a public entity, or be subjected to discrimination by any public entity.” (U.S. Dept of Justice, 1990) The civil rights laws are designed to protect all individuals with disabilities, many of who require special education services.

Because the administration of special education is concerned with individuals who have disabilities that hinder their ability to receive regular public education services,

inherent vulnerabilities exist. The students receiving special education services are at a disadvantage relative to students receiving regular education services because their services are seen as an exception to what is already provided. Also, severely-handicapped students may not have the necessary communication skills to inform teachers or administrators of problems that may occur when receiving education services. With the passage and implementation of various legislative items, the inherent vulnerabilities of administering special education programs have been muffled, which has proven to be beneficial for the administration of special education.

Equally important as understanding the purpose of special education in our society is the necessity to identify those individuals who require special education services. At the San Mateo County Office of Education, the local education agency where I work as a financial analyst, more than one hundred unique special education services are offered to students with an individual education plan, or IEP. Some of these programs include one-on-one orientation and mobility services, assistive technology, home or hospital care, small group instruction, visually impaired services, autism, and motor skills services. (SMCOE Special Ed, 2007) Once a child has been determined to have special needs which require the resources of special education instruction, a unique IEP is developed that will guide the education of that student throughout the duration of his enrollment in a particular school district.

An individual education plan, or IEP, provides special education administrators with a framework and timeline for education services and success measurement while educating a student. All IEPs must include the following items: statement of present level of academic achievement and performance, measurable annual goals designed to

meet the student's needs, short-term objectives, description of student's progress and periodic reports, supplementary aid services, and accommodations. (U.S. Dept of Educ, 2006)

Because some of these services require unique instructional resources for specific special education needs, the cost of administering these programs varies from service to service. For example, the cost of administering a one-to-one home or hospital program is significantly more expensive than the cost of administering a small group orientation and mobility program. Some of the costs associated with a home or hospital program include the transportation of a special education teacher to and from the location of instruction, any special materials or supplies necessary to instruct a student at their home or in a hospital, and administrative costs of the program. A small group orientation program does not include transportation costs since the class is actually held in an existing school facility, and the total costs of administering the program are allocated over the total number of students in the class. If the estimated annual cost of the small group orientation class was \$100,000 and five students were enrolled, \$20,000 would be the cost per student. Therefore, one-to-one programs are inherently more expensive than programs with two or more students because the cost of administering a one-to-one program is only captured by one student.

Because the costs of administering special education programs in the California public education system are greater than the costs of administering regular public education, the financial management of the resources being used should have a high level of management controls. "In 1977, all school districts and county offices were mandated to form consortiums in geographical regions of sufficient size and scope to provide for all

the special education service needs for children with disabilities residing within the region boundaries. These regions are called Special Education Local Plan Areas, or SELPA. (SMCOE SELPA, 2007) Roughly 120 SELPAs are in existence in California today, and a majority of them service between 2,000 and 4,000 students. Each SELPA has an administrative unit that receives funds from the State of California and has oversight responsibilities for special education student services.

### **3. Brief History of Special Education**

Although the establishment of individual education plans is a relatively new phenomenon in the administration of special education in the United States, programs designed to provide education services to children with special needs have been in existence since the early part of the 19<sup>th</sup> century. “The history of special education in the United States dates back to 1817 when the first education program for exceptional children and youth was formally established. It was called the American Asylum for the Education and Instruction of the Deaf (now known as the American School for the Deaf) in West Hartford, Connecticut. It is the birthplace of American Sign Language.” (CDE, 2007) Many years passed after this first program was established in Connecticut until any special education services were provided in California.

“California began serving disabled children in 1860 when the California Institution for the Instruction of the Deaf and Dumb and Blind was established in a rented house on Tehama Street in San Francisco under the leadership of 23 ladies who organized the Society for the Instruction and Maintenance of the Indigent Deaf and Dumb and the Blind.” (CDE, 2007) Over 100 years after the initial services were provided in California, legislation was passed incrementally “to respond to the needs of disabled

individuals (in those days referred to by the type of disability) as those needs were defined and articulated, and as science and education learned more about each handicap.” (CDE, 2007)

One of the most dramatic changes to special education in California occurred in 1974 with the enactment of the Master Plan for Special Education, or MPSE. This aggressive piece of legislation attempted to consolidate and organize over 28 special education programs under one administrative umbrella. The Master Plan proposed a single designation, “individuals with exceptional needs,” for all children receiving special education services. (CDE, 2007) The four main goals of this plan are as follows:

1. Public education in California must seek out individuals with exceptional needs and provide them an education appropriate to their needs.
2. Public education must work cooperatively with other public and private agencies to ensure that appropriate education is provided for individuals with exceptional needs from the time of their identification.
3. Public education must offer special assistance to exceptional individuals in a setting which promotes maximum interaction with the general school population and which is appropriate to the needs of both.
4. The most important goal of special education is to provide individually tailored programs that reduce or eliminate the handicapping effects of disabilities on exceptional children.

Individual education plans were first established in 1975 under the Individuals with Disabilities Education Act, or IDEA. IDEA was designed to provide all children who have a disability with a free and appropriate public education on an individualized

basis. Also, these education services must be provided in a fostering environment, and each child's rights are ensured through procedural safeguards. (U.S. Dept of Educ, 1997) According to State Funding IDEA Regulations, which was reauthorized by President Bush in 2004, appropriations of roughly \$16.9 billion were authorized to fund IDEA in fiscal year 2007. (U.S. Dept of Educ, 2006) The following describes the required uses of funds for state-level activities of IDEA: complaint investigation, mediation procedures, support for direct services, paperwork reduction initiatives, supporting behavioral and mental health services, technology improvement in classrooms, transitional programs, personnel shortages, alternative programs, and accommodations.

#### **4. Special Education Funding & Expenses**

The legislative vehicle for the administration of special education funding in California is Assembly Bill 602, or AB 602. California legislators passed this bill in May of 1997 changing the funding structure drastically from years passed. The intent of this legislation is to “establish a new method of funding special education that will, among other things, ensure greater equity in funding among Special Education Local Plan Areas, avoid unnecessary complexity, allow for increased flexibility, require fiscal and program accountability, and avoid inappropriate fiscal incentives related to special education placements.” (AB 602, 1997) Before the introduction and implementation of this bill, special education funding was governed by a myriad of legislation. Legislators created AB 602 to centralize, control, and create an accountability framework for special education funding in California.

The inclusion of individuals with exceptional needs in the funding framework of AB 602 is significant. All “state and local accountability systems [must] provide

individuals with exceptional needs with the benefits of appropriate instructional changes and education reforms derived from measuring and monitoring pupil progress.” (AB 602, 1997) Regardless of the severity of education need of a student, sufficient and appropriate instructional services must be included in the funding framework of special education. This supports the civil rights issues surrounding special education.

The Special Education Local Plan Area, or SELPA, is given authority and power over funding under AB 602. The SELPA is responsible for the allocation of funds and the creation and adoption of a budget. (AB 602, 1997) Under the administrative hierarchy of the California Department of Education, the SELPA is a separate governing body from the local education agencies. For example, the SELPA of San Mateo County is a separate entity from the San Mateo County Office of Education even though SELPA administrators work in the same building as employees in the county office. This separate but intimate relationship allows the SELPA to administer the funding set forth by AB 602 independent of other funding strategies and sources of the county office. This helps to ensure the appropriate funding of special education in San Mateo County and throughout California.

Under AB 602, the requirements of a SELPA are as follows: develop and implement content and performance standards, specify criteria when determining what standards are to be used for individuals with exceptional needs, and specify how assessment programs will include individuals with exceptional needs. (AB 602, 1997) Conversely, the requirements of a county office or district governing board are as follows: evaluation of the effectiveness of special education programs in which it operates, report number of pupils receiving special education services, and report

recommendations for instructional changes after evaluating its programs. (AB 602, 1997)

As you can see, the roles outlined in AB 602 for the SELPA and the county office are clear and separate from each other. The SELPA, in essence, is responsible for the administration of the special education programs themselves while the county office is responsible for reviewing and reporting on those programs.

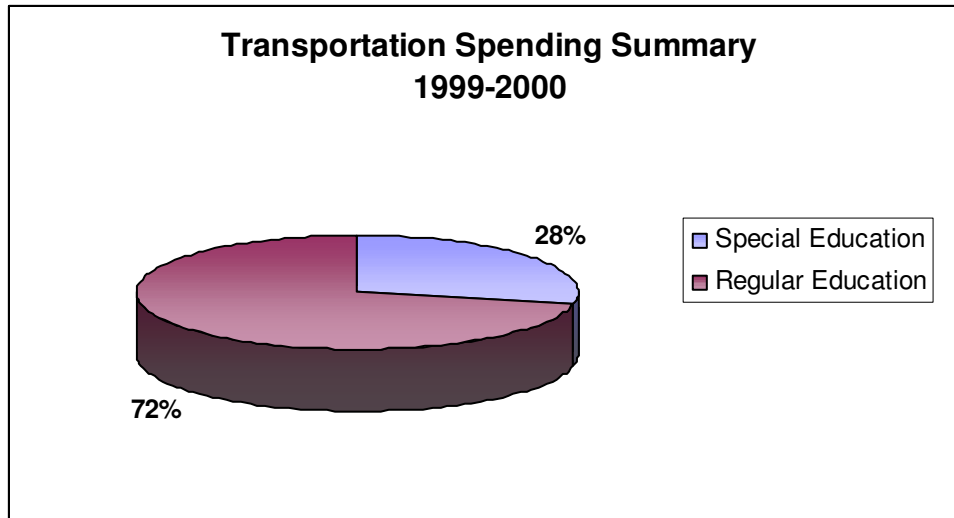
Another general provision outlined in AB 602 holds SELPAs responsible for the funding of the placement of a pupil in a nonpublic school (AB 602, 1997). This provision may have significant financial ramifications on a SELPA or school district depending on the distinctiveness of the plan. For example, if the local public school district does not have the special education service required for a student with exceptional needs outlined in their individual education plan, the responsibility lies, administratively and financially, on the SELPA to identify a nonpublic school in close proximity that does meet that student's needs. The costs of administering this unique special education plan are often more expensive than the standard special education services offered by the public school. Therefore, the funding to a SELPA with a situation similar to this example will need to be increased to accommodate the higher costs.

Along with detailing the general provisions of administering special education programs, Assembly Bill 602 identifies specific guidelines on the funding system of special education as well. The funding system requires SELPA administrators to be responsible for the fiscal administration of the programs, allocation of state and federal funds, reporting, and adhering to accounting requirements. (AB 602, 1997) The allocation of special education funds is based on a population-based system, more specifically, average daily attendance of all students in a particular local education

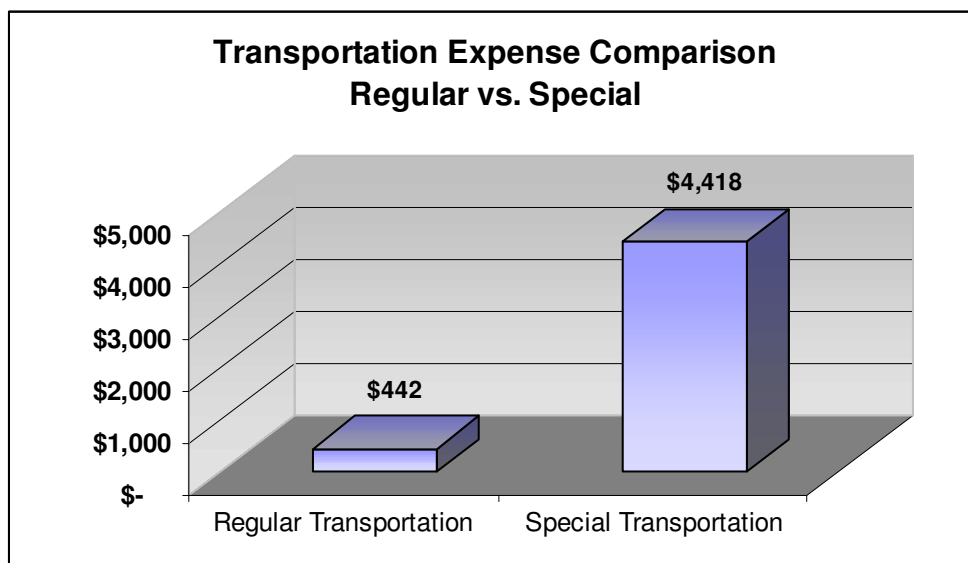
agency. The average daily attendance includes all students in school district K-12 programs as well as special education, juvenile court school, and community school programs. (Goldfinger, 2005) The responsibility lies with the SELPA to ensure the funding is distributed to the special education programs based on this attendance model of fund allocation.

Because of the distinctiveness of programs administered in special education, many of the associated costs vary from regular public education. One area of special education where costs are often more expensive is education equipment and materials. “During the 1999-2000 school year, \$465,349,332 was spent on specialized equipment in the United States. This accounts for 0.9 percent of total special education spending.” (Chambers, Knudson, Anand, Perez, 2004) Even though the most basic education materials, such as calculators and desktop computers account for the majority of these expenses, more specialized equipment, such as therapy balls and auditory training systems, does account for a significant amount. As required in each student’s IEP, specialized equipment is often necessary to facilitate appropriate education services to students with exceptional needs.

Another cost that is generally more expensive in special education than in regular public education is transportation. During the 1999-2000 school year, total spending for home-to-school and school-to-school transportation services for all K-12 students enrolled in public schools was \$13.1 billion. (Chambers, Parrish, Lam, 2002) Of this \$13.1 billion, roughly 28 percent, or \$3.7 billion, represents the transportation spending specifically for special education services.



When analyzing these expenses on a per-pupil basis, “the regular transportation expenditure per pupil is an estimated \$442, while the special transportation expenditure per pupil is approximately \$4,418.” (Chambers, Parrish, Lam, 2002) Transportation expenses for pupils requiring special education are nearly ten times greater than transportation for pupils in regular education.



Many factors contribute to the cost of special education transportation being substantially more than regular education. First, the percent of special education students

participating in home-to-school and school-to-school transportation services is greater than in normal education. During the 1997-2000 school year, roughly “26 percent of students with disabilities were transported from home to regular education schools, seven percent to special education schools, while another two percent were transported from one school to another to receive vocational or other special education services.”

(Chambers, Parrish, Lam, 2002) Most regular education students don't require transportation to school. Second, some students with exceptional needs require a unique mode of transportation. Some special education transportation services include wheelchair lifts, restraint systems, or harnesses that are more expensive than transportation for regular public education. And finally, some special education students may need to be transported greater distances from home to school than a regular education student due to the availability of specific special education services offered in near proximity.

Mediation, due process, and litigation expenses are another expense category in special education that differs from regular education. “During the 1999-2000 school year, the nation's school districts spent roughly \$146.5 million on due process, mediation, and litigation activities for all K-12 special education students in public schools.”

(Chambers, Harr, Dhanani, 2003) Although litigation expenses constitute merely 0.3 percent of total special education expenses, these expenses are important in that all students in special education and their parents have the right to due process, according to IDEA. This provision is designed to resolve possible disputes that may arise between parents and school districts regarding the education services of students with disabilities.

On average, mediation or due process expenditures per case ranged between \$8,160 and \$12,200 during the 1999-2000 school year. (Chambers, Harr, Dhanani, 2003)

Not only do special education expenditures vary by type of expense, but expenses vary by district also. The smallest districts, those with less than 2,500 total students enrolled, spend more as a percent of total expenditures on special education services than larger districts. Also, rural districts spend a greater cost-adjusted amount on special education services than districts located in more urban areas. (Chambers, Parrish, Esra, Shkolnik, 2002) These findings suggest smaller and more rural districts have more difficulty adjusting their levels of special education services than larger, more urban districts.

Special education expenses vary by the gender, instructional services, and class size as well. Male students outnumber female students with disabilities by a ratio of 2 to 1. High-expenditure students in elementary schools receive more man-hours per week of specialized services than average-expenditure students. And class sizes for high-expenditure students are smaller compared to class sizes of average-expenditure students. (Chambers, Kidron, Spain, 2004) Many students with extreme disabilities require more specialized instructional services that raise the cost of their overall education.

## **5. Financial Trends in Special Education**

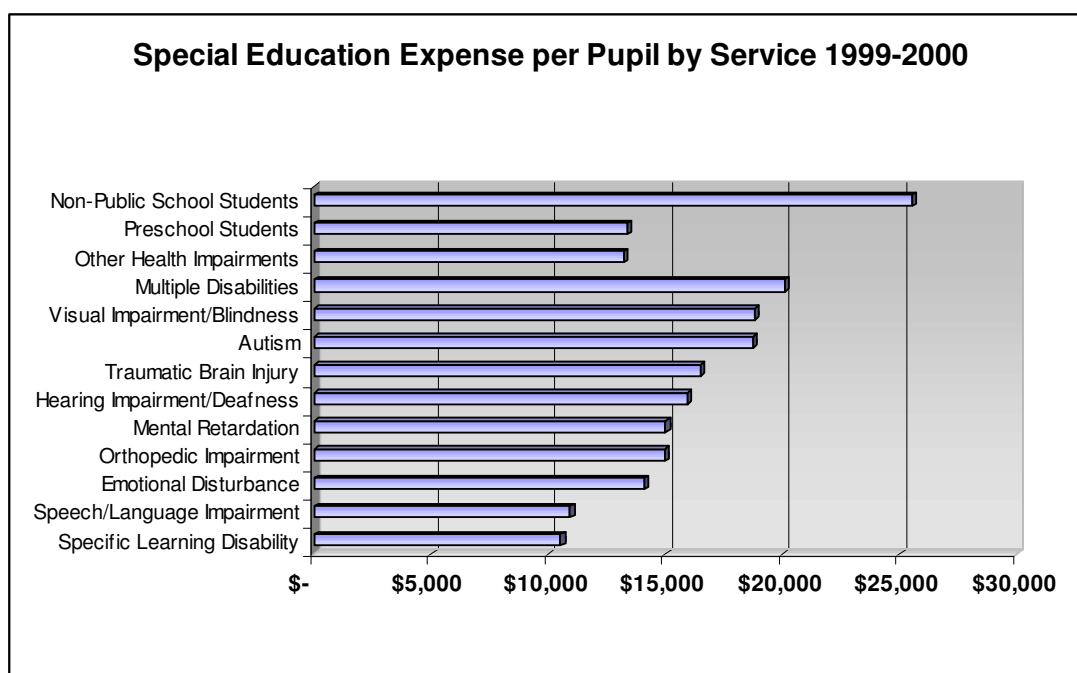
Special education services in the United States are expensive. When comparing the cost of administering special education programs against regular education programs or the increase in special education services over time, the expenditures are significant. Before analyzing the financial trends of various services over time, it is essential to understand the magnitude of these expenditures.

“During the 1999-2000 school year, the 50 states and the District of Columbia spent approximately \$50 billion on special education services, amounting to \$8,080 per special education student.” (Chambers, Parrish, Harr, 2004) When analyzing a combination of special education and regular education services that were provided to special education students, roughly \$77.3 billion, or \$12,474 per student, was spent. This amount represents over 21 percent of total elementary and secondary public education services in the United States in 1999-2000. (Chambers, Parrish, Harr, 2004) These costs are significant when compared to regular education costs. The total expenditures involved in educating students with special needs are estimated to be 1.9 times that of students with no special needs. In essence, special education services are almost double the cost of regular education services.

On a per pupil basis, expenditures ranged from a low of \$10,558 for students with specific learning disabilities to a high of \$20,095 for students with multiple learning disabilities during the 1999-2000 school year. (Chambers, Shkolnik, Perez, 2003) According to a student’s individual education plan, he may only require one particular special education service. Other education services he receives would be part of the regular education program. Since the regular education services are inherently less expensive than special education services, these students’ overall education expenditures would be lower than students requiring multiple education services. Also, special education expenditures are highest for students with disabilities who are placed in non-public schools or other public agencies. The average cost per student for tuition, fees, and other services for special education in a non-public school was \$25,580, roughly double the cost for an average special education student. (Chambers, Shkolnik, Perez,

2003) The costs of providing these students with appropriate services are more expensive because of the distinctiveness and lack of availability of the program.

Special education expenditures vary by type of service as well. The following is a list of special education categories of services that were available in the United States during the 1999-2000 school year and their average cost: specific learning disability (\$10,558), speech/language impairment (\$10,958), emotional disturbance (\$14,147), orthopedic impairment (\$14,993), mental retardation (\$15,040), hearing impairment/deafness (\$15,992), traumatic brain injury (\$16,542), autism (\$18,790), visual impairment/blindness (\$18,811), multiple disabilities (\$20,095), other health impairments (\$13,229), preschool students (\$13,426), and students placed in non-public schools (\$25,580). Students with the two most common disabilities, “specific learning disabilities and speech/language impairments, make up 46 percent and 17 percent of the students who receive special education services, respectively.” (Chambers, Shkolnik, Perez, 2003)



In San Mateo County, all of the above-mentioned services are offered in at least one of the twenty-four school districts. Some of these school districts have more than one hundred students receiving special education services while some of them only have a handful of students receiving these services. In order to spend AB 602 funding appropriately and effectively, it is essential for school district administrators and the SELPA to place these services strategically throughout the county. For example, offering autism special education services in a district that does not have students enrolled who have autism is ineffective. Students wouldn't be able to take advantage of these services, and the district would be financially responsible for this. However, if a school district has only one individual student with autism, it may make financial sense to send that student out of district to a neighboring district that already offers autism special education services instead of beginning a new service in their own district. The cost of transportation and other logistical fees may be less than the cost of beginning a new program.

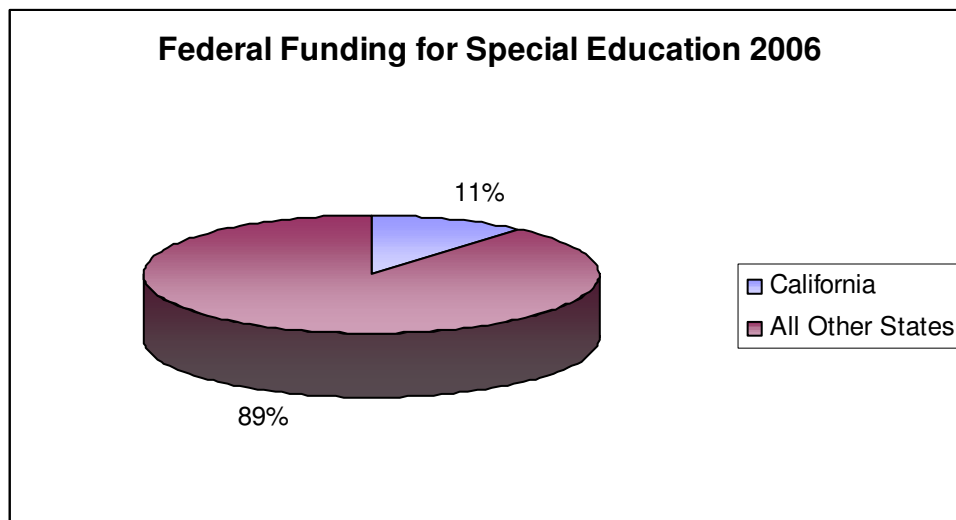
It is vitally important to understand the make-up of the current average daily attendance of those students enrolled in special education services in a particular district. In order for special education administrators to plan effectively for the school year, they need to know the number of students expected to benefit from special education services and the details outlined in their individual education plans. Knowing how many students need autism and orthopedic impairment services, for example, helps plan for staffing and other resources.

Special education funding varies from district to district across California also. For example, Los Angeles Unified School District, including their county office of

education, received over \$568 million for the current 2006-2007 school year. This constitutes almost 20 percent of the total special education funding in California, more than three times that of any other county in the state. (CDE, 2007) San Diego, San Bernardino, and Ventura counties received the next largest amount of funding. When looking at the 2005-2006 school year, Los Angeles Unified School District received over \$555 million, almost 21 percent of total special education funding. (CDE, 2007)

Comparing total state funding to special education funding, Los Angeles Unified School District received roughly 14 percent of total funds, more than \$3.9 billion during the 2006-2007 school year. Los Angeles Unified School District receives more special education funding as a percentage of the total state special education funding compared to total funding. This relationship is significant for Los Angeles since they must manage these special education funds to appropriately fund the necessary programs for the special education students enrolled in the county.

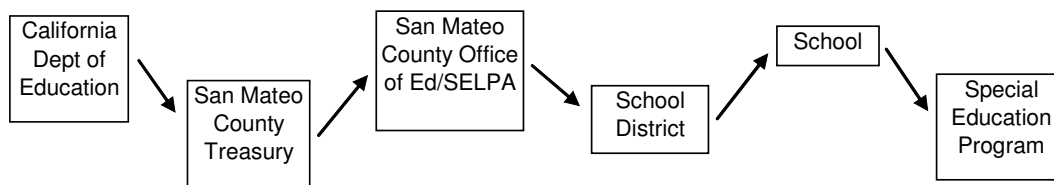
Federal funding for special education goes to states in the form of the following three distinct grants: grants to states, preschool grants, and grants for infants and families. In 2006, over 92 percent of the total funds distributed by the federal government came from the grants to states. (U.S. Dept of Educ, 2007) Total federal funding for special education programs over the past three years is as follows: \$11.4 billion in 2006, \$11.4 billion in 2005, and \$10.9 billion in 2004. Of these amounts, the state of California received \$1.2 billion in each of the three years from 2004 to 2006. (U.S. Dept of Educ, 2007) In 2006, federal funding to California was roughly 11 percent of total special education funding available, by far the largest percentage of all 50 states.



## 6. Issues & Concerns

Although the administration of special education in California has improved drastically since its birth almost one hundred and fifty years ago, many areas of improvement are evident today.

The chain of funding for special education services, from the state to the actual program in a classroom, is long and complex. In California, a majority of the special education funding begins at the Department of Education. The state receives funding through various sources, including federal grants. In San Mateo County, special education funding flows from the state directly to the county treasury. Once the county treasury receives the funds, they release the funds to the San Mateo County Office of Education where the SELPA is located. The SELPA has the legislative authority, under Assembly Bill 602, to distribute special education funding to school districts as it sees fit. From the SELPA, funds will flow directly to each of the twenty-four school districts in the county. Each school district will receive the funds and allocate funding to the schools in their district that operate special education services. And finally, each school will administer the special education programs with the designated funding amount.



This funding flow for special education has some advantages. First, the multiple bureaucratic organizations authorizing funding to transfer in and out are a check and balance. For example, having the county treasury receive the funds prior to distributing the funds to the SELPA ensures that the county is fully aware of state funding transactions. Also, since the SELPA has authority to allocate funds for special education services, they need to understand the funding sources and amounts. And finally, all agencies involved in fund distribution are ultimately ensuring taxpayer's dollars are being spent with the intent prescribed in Assembly Bill 602.

Conversely, the funding flow has some disadvantages as well. First, each level of bureaucracy adds another layer of inefficient fund flow. Imagine the reduced costs of overhead expenses (i.e. personnel expenses and number of financial transactions) if the state was able to distribute funds directly to each school administering special education services. Also, each level of fund distribution increases the total amount of time it takes for the schools to receive their funding. Because of this, the state will begin its budget process far in advance of actual fund distribution. Between the time of budget adoption and fund distribution, many things can change in a school district, such as average daily attendance and programs being offered. And even though each agency acts as a check and balance on the other, errors can still occur as funds travel from agency to agency.

Often, a school district may not offer a particular program that a child requires. For example, La Honda-Pescadero Unified School District is one of the twenty-four

school districts in San Mateo County. It is the largest school district, geographically speaking, and has the lowest average daily attendance. (SMCOE Attendance, 2007) Because of the widespread proximity of students attending the schools in this district, La Honda receives a portion of its total funding through Necessary Small Schools apportionment. On a per student attendance basis, the cost is higher in La Honda compared to all other school districts in San Mateo County because the overhead costs are allocated over fewer students. These schools are necessary since students are living in the surrounding area and have the right to public education. Also, La Honda may not offer as many special education services as other, more populated districts.

If a child living in La Honda school district requires a very distinctive special education program, the existing special education programs already being administered in La Honda might not be adequate to meet the guidelines specified in his IEP. In this example, providing a suitable education program for this particular student is more difficult. If a neighboring district has the required program, then a plan must be developed to transport the student to the neighboring district to attend class as specified in his IEP. This could cause emotional strain on the student and increase transportation costs for the district. (Chambers, Parrish, Lam, 2002) Situations like these occur infrequently in San Mateo County; however, the importance of ensuring all special education students receive what is required in their IEP is necessary.

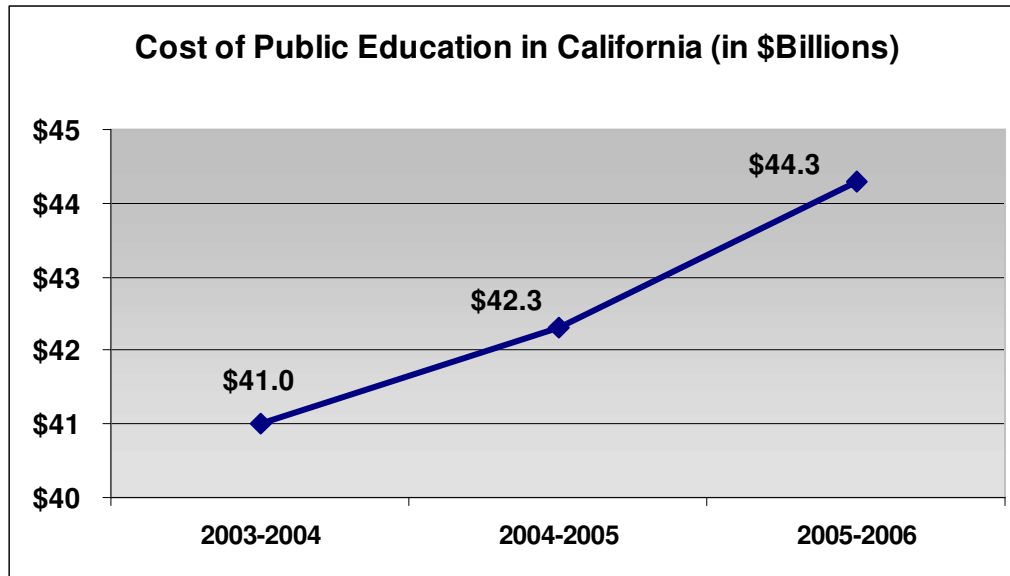
As discussed in the funding guidelines specified in Assembly Bill 602, funding from state and local sources is based on average daily attendance of all students in the districts, not specifically on the average daily attendance of special education students. In San Mateo County public school districts, a unique situation exists where total average

daily attendance has been declining over the past few years while the special education average daily attendance has been increasing slightly over that same time period. In effect, funding for special education programs has been declining along with total attendance rates while the actual attendance of those programs is increasing. The end result involves limited teacher and support resources due to the limited funding. This method of fund allocation makes districts like those in San Mateo County hard-pressed for strategically administering special education programs when the funding methodology hinders their ability to do so.

Depending on the severity of a student's particular disability, many students receiving special education services require one-on-one support. In order to have an appropriate level of education service as identified in their IEP, some students won't benefit from sharing instructional resources with other students. These types of services carry a large financial burden on the school districts that administer these programs. These districts are required to hire a staff of educators to meet the education needs of these one-to-one special education situations. Teachers, like many individuals employed by local education agencies, are members of a union. In San Mateo County, teachers sign a contract with a term of one full school year. If a child is receiving special education services from one special education teacher and leaves mid-year, the district is still required to pay for the services of the teacher regardless if that student has left. This situation occurs infrequently in San Mateo County, but it is still a cause for concern with managing these expenditures.

The cost of living and doing business in California is generally higher compared to other states. Similarly, the cost of providing public education in California is higher

than in other states and has steadily risen over the years. The cost of public education in California was \$41.0 billion during the 2003-2004 school year, \$42.3 billion during the 2004-2005 school year, and \$44.3 billion during the 2005-2006 school year. (CDE, 2007)



In order to adjust funding allocations from state and federal sources, a cost of living adjustment, or COLA, is negotiated before the start of the upcoming school year. Some years, the adjustment is sufficient to combat the added costs of public education in California. In other years, the adjustment falls short, and school districts struggle financially to pay fiscal obligations. The amount of the COLA in a given school year could affect the administration of special education just like other education programs in California.

Special education funding for pre-school and infant students is structured slightly different from basic special education funding in Assembly Bill 602. During the 2005-2006 school year, each SELPA was funded the same amount as in the prior year with the exception of extra funding that was granted in the prior year was not included. If the amount that was allocated was not spent during the school year, it was taken away.

(Goldfinger, 2005) In San Mateo County, the average daily attendance of infants is small, so the flat funding model prescribed in AB 602 does not have a major financial impact. Other counties may experience financial difficulties if their infant average daily attendance increases year on year without any relief in special education funding for those infants.

The growth of charter schools in California and in the United States has been increasing over the past few years. In California, the charter school law passed in 1992. As of the 2005-2006 school year, 574 charter schools were in existence, and roughly 190,000 students were enrolled in a charter school. (Primers, 2007) Funding for special education programs at charter schools is different than funding for special education programs at a regular school district. “All special education funds flow to an intermediate unit (SELPA) that receives special education funds for all LEAs of that SELPA. A charter either gets special education services from an LEA or becomes its own LEA and then must become a member of a SELPA and provide special education according to that SELPA's plan.” (Primers, 2007) This unique funding structure may limit the charter school’s ability to provide appropriate special education services to students attending its school. The mission of a particular charter school may be drastically different from that of the governing school district, local education agency, or SELPA that is providing the special education funding.

Under IDEA, all students and parents have the right to a due process hearing regarding the implementation of special education services they receive as detailed in their individual education plan. School districts and local education agencies must be held accountable if they are unable to provide appropriate education services to their

special education students. Although the cost of due process hearings during the 1999-2000 school year was negligible relative to total special education costs, as mentioned earlier, the costs are real. Sometimes, a child's disability may be so severe that it may be very difficult for a school district to adequately provide for their education services. Unique and special arrangements need to be made to educate this child. Some parents who take full advantage of their due process rights may increase the cost of providing special education services exponentially relative to other special education students. Many of these costs are unforeseen; therefore, budgeting for due process costs is difficult for school districts.

## **7. Conclusion**

The administration of special education in California is one of the most important programs in public education today. More than \$2.9 billion has been apportioned to all local education agencies in California for the 2006-2007 school year. (CDE, 2007) These financial resources are used to educate students who have physical, emotional, and behavioral disabilities in California. Unique education services are provided in school districts and other local education agencies throughout the state of California to accommodate the needs of these students. In cases where a child requires very distinctive special education services as outlined in their individual education plan, many education administrators are involved to ensure that child receives the services he need to thrive in California's public education system.

Even with the civil rights outlined by the various legislative vehicles of special education, areas of improvement are still evident. The bureaucratic nature of the various governmental bodies adds inefficiencies to special education processes. Each special

education service requires a unique set of resources and funding. And the availability of certain special education services varies greatly depending on student proximity to school districts and funding resources.

In San Mateo County, the funding and billing processes of special education is vital to the success of our office. The budget for special education is a significant portion of the San Mateo County Office of Education's yearly budget, and all twenty-four school districts in San Mateo County rely on accurate and efficient administration of special education funding. A great deal of time and resources are used in analyzing, reporting, and communicating special education funding and billing for all school districts. The District Business Services Division at the county office has two financial analysts that work part-time on supporting special education financial transactions.

One analyst is responsible for acquiring the principal apportionment information on special education funding from the state of California, analyzing the funding exhibits for accuracy and relevance, summarizing the information for the school districts, and preparing the financial transactions to enter into the general ledger. Part of my responsibility, as the other financial analyst supporting special education financial services, is to review and support these funding schedules. A majority of my time is also spent analyzing the special education billing trends for the various services the school districts provide. The projected total for special education expenditures for regular school year services is roughly \$30 million. (SMCOE, 2007) That does not include costs for one-to-one, transportation, or extended school year special education services. I am responsible for the accurate reporting of these financial transactions and clear

communication with my management and the school districts that ultimately bear the costs.

As in many governmental agencies, the politics of administering social programs has an effect on the actual implementation and day-to-day activities of an organization. Decisions that are made in public education have political consequences as well. The Superintendent of Public Schools in San Mateo County has a responsibility to the students enrolled in San Mateo County schools and the residents of the county. She is responsible for these stakeholders' best interests in regards to public education and to the overall wellbeing, socially and financially, of the county's education agencies. The ultimate decision of what financial information on special education funding and expenses is distributed to school districts and the public resides with the Superintendent.

After being employed as a financial analyst in the California public education system for a mere four months, I have only scratched the surface of special education financial management. Prior to working for the San Mateo County Office of Education, I was employed at a semiconductor manufacturing company for four years. While working in the fast-paced technology industry, I quickly realized how frequently business strategies changed to adjust to the ever-changing technology industry. New and powerful customers were constantly entering the market, management teams of my company and our competitor's companies were always in flux, and the accounting environment became more conservative.

The business of special education administration is entirely different from what I have already been exposed to in my professional career. Many administrators in the county office have worked their entire careers servicing public education. Unlike the

constantly evolving workforce in the technology industry, the workforce supporting public education is more consistent. When discussing this employment trend with my co-workers at the county office, people state various reasons for wanting to devote their career to the administration of public education. Some people find peace and comfort in the security of working for the government. Some people enjoy working with and supporting teachers and students. And most people have chosen to devote their careers to the betterment of public education and ensuring that taxpayers' dollars are spent with the utmost efficient and appropriate purposes. I fall into this category.

My choice of devoting my career to the administration of public education, specifically its financial management, has been the best professional choice I could have made. I have the opportunity of actually working on many of the issues and concerns I described earlier about funding and other administrative issues surrounding special education. There will always be areas of improvement. I hope to support the effort in helping to address many of them throughout a long, prosperous career in public education.

My wife and I got married over a year and a half ago. In the very near future, we are planning on having children. Making sure our children receive a well-rounded education is very important to both of us. We have high hopes that our children will be able to attend a great public school in California. For whatever reason, if our children need special education services like so many other children in California, my wife and I will do whatever it takes to ensure they receive the services they need to live a full life. That is our right given to us as citizens of the United States. We are confident in the system developed to educate children with disabilities in California, and we will put our

trust in the thousands of school administrators and teachers devoting their lives to making sure that happens.

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