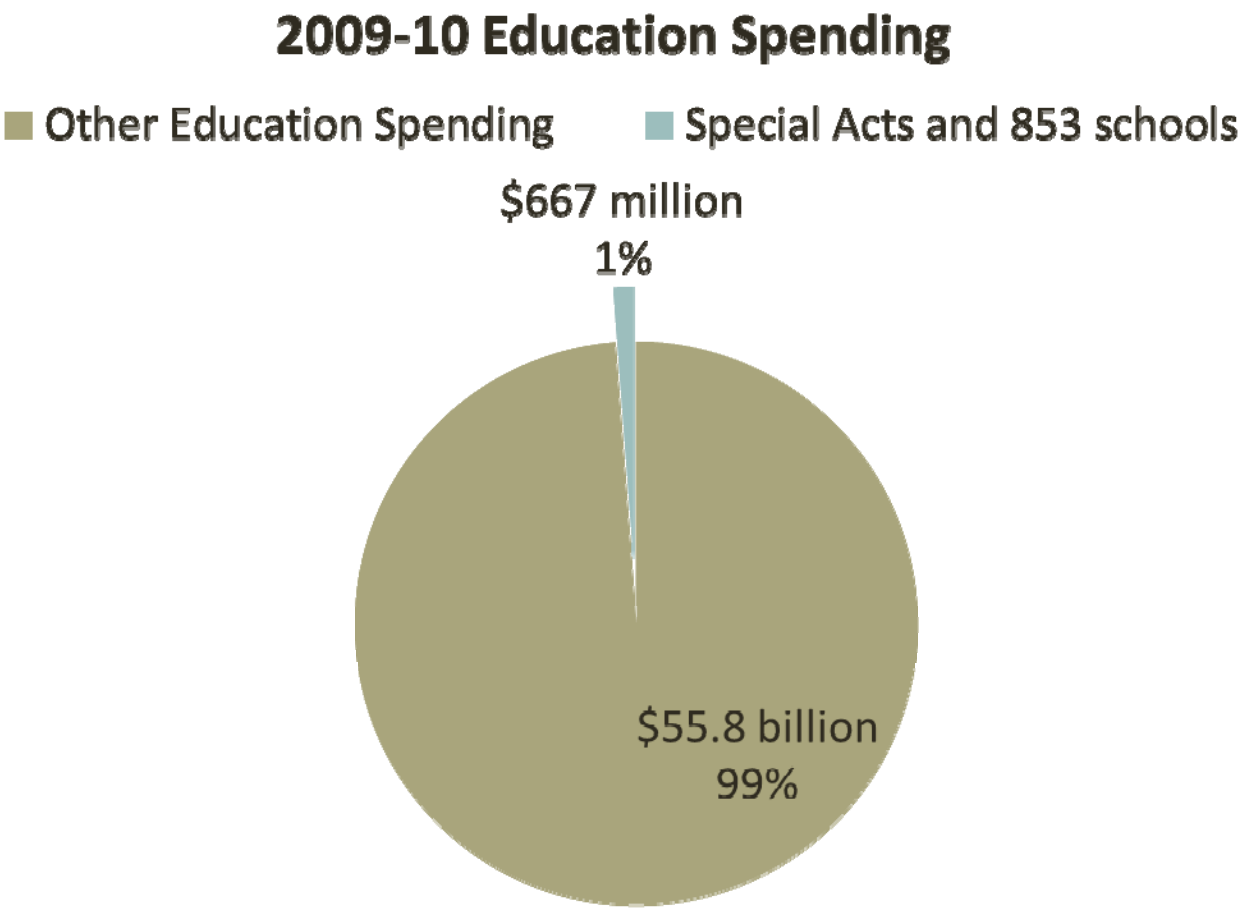
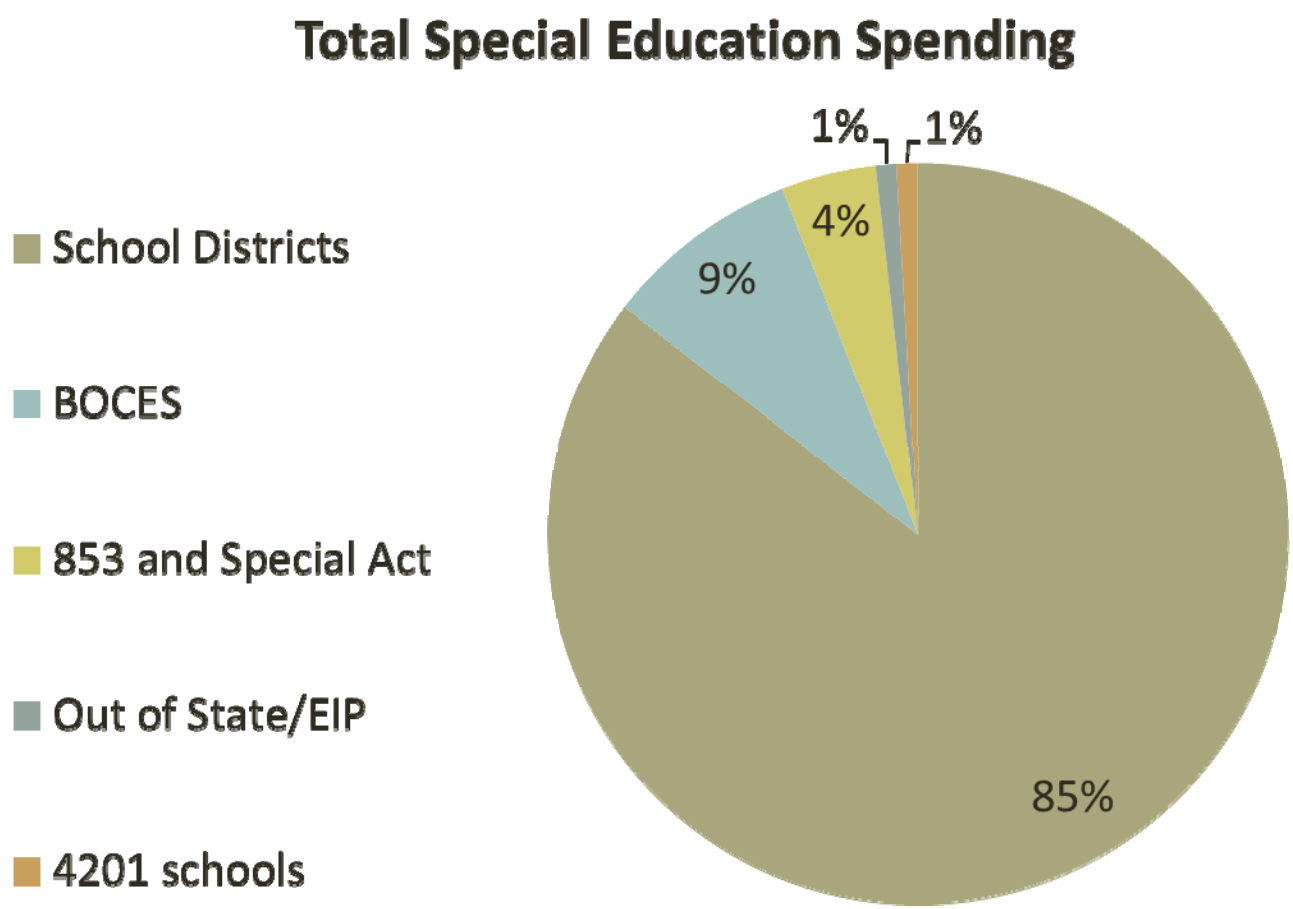
School Age Rate Setting Workgroup

May 28, 2013

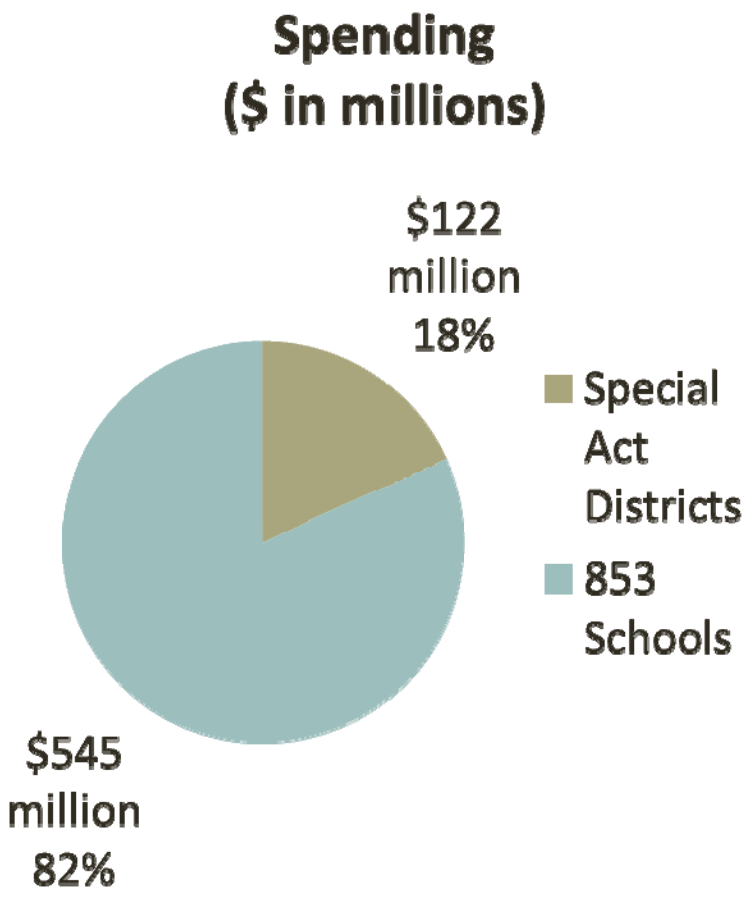
Special Acts and 853 schools are a small part of total public school spending

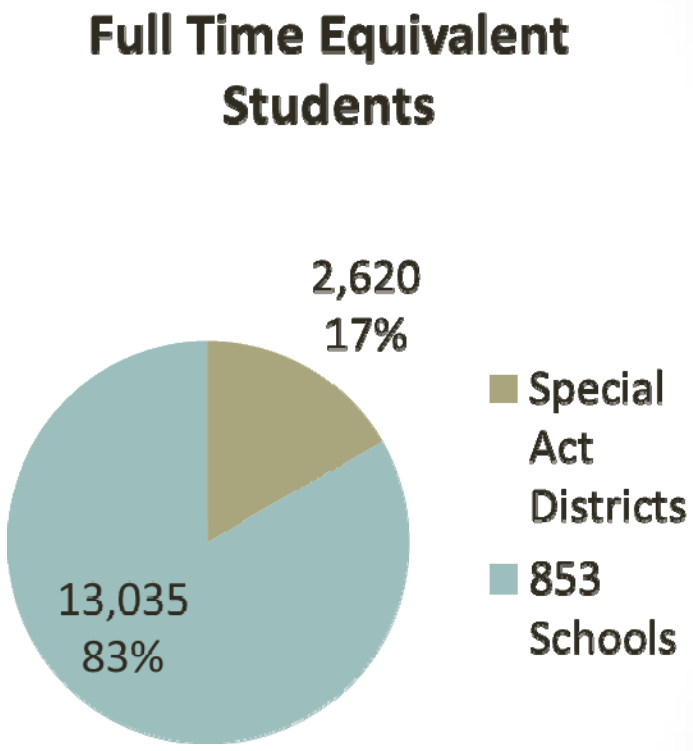


Special Act and 853 schools provide a small but critical portion of special education services

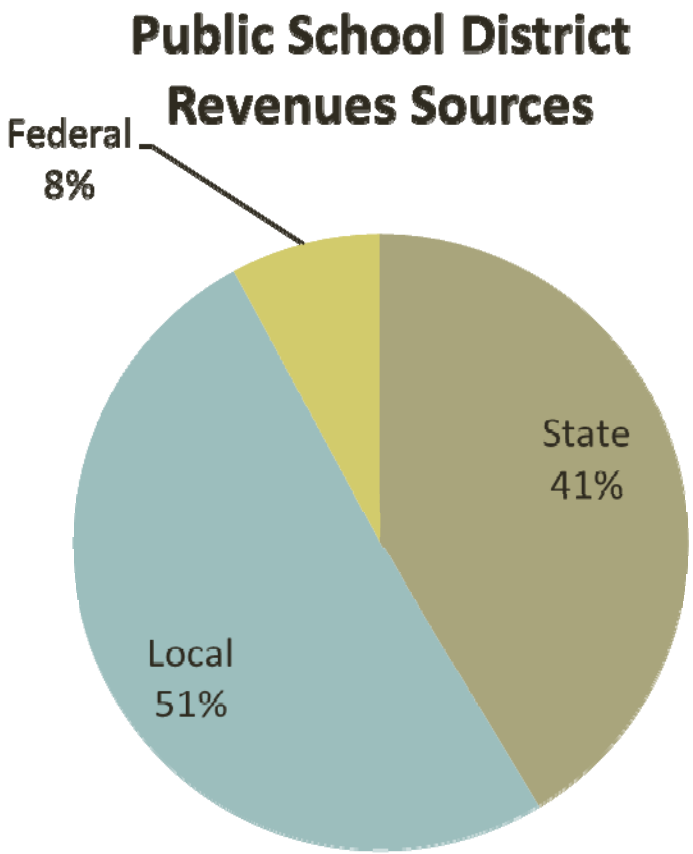


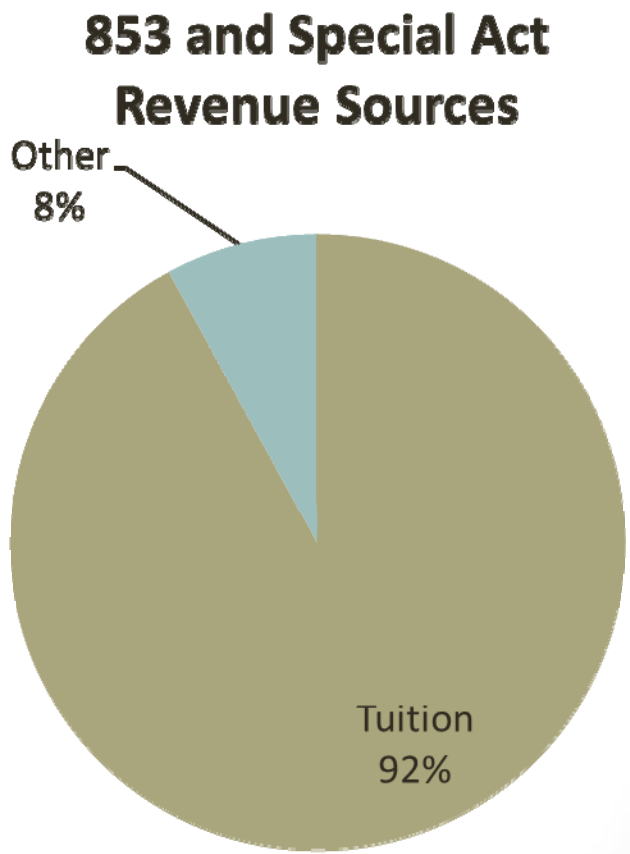
Special Acts and 853s





Comparison to Public School District financing





Special Act and 853 funding

- Special Act Districts and 853 schools receive more than 90 percent of their funding from Tuition Rates.
- Approximately 80 percent of students are placed by School District Committees on Special Education (CSEs).
- Counties may also place students in some instances.
- Rate setting methodology and state law prevent these schools from maintaining reserve funds.
- Enrollment is established by school districts and counties, which is difficult to predict and can be volatile.

Funding process

State Establishes Tuition Rates

SED proposes annual methodology to the Division of the Budget

School Bills Sending District for Tuition

Each school is responsible for billing the School District or the County	School district or county pays in the first instance

State Reimbursement(10-month)

The State will reimburse school districts for costs in excess of a local contribution.	The local contribution varies by school district, State average is $11,300.	After considering the local contribution, a district of average wealth pays approximately 44 percent of tuition costs.

State Reimbursement(Summer)

The State will pay reimburse School Districts for 80 percent of summer school tuition costs.	The State will charge Counties 10 percent of approved costs.	Final distribution of costs is 70 percent State, 20 percent School District, 10 percent County

Impacts of zero growth methodology

- What we can see from rate-setting data:
  - Rate methodology growth has been held flat since 2008-09.
  - The most recent reconciliation data is for the 2010-11 school year.
  - The results show a typical pattern of budget stress:
    - In 2008-09, the baseline, 3.06 percent of total costs were unreimbursed.
    - In 2009-10 3.22 percent of total costs were unreimbursed.
    - In 2010-11, 4.15 percent of total costs were unreimbursed.
- What we can't see from rate-setting data:
  - Savings actions, program efficiencies and reductions.