

## Charter School Special Education Formula Change

Since the inception of charter schools here in Utah, Special Education funding has been distributed on the higher of prior year Average Daily Membership (ADM) or current year December 1 child count. The Utah State Auditor's office has pointed out that this method is not consistent with Utah Code (53A-17a-111(5)) or with the process used to fund Districts. Effective FY12, the USOE will begin distributing these funds in the same manner as school districts receive their funding.

Special Education Add-On funding is distributed per WPU, derived through formula to determine the greater of:

1. **Foundation:** Average of Special Education ADM over the previous 5 years. (Note: Because of the timing for legislative processes and funding allocation, special education funding formulas are two years in delay. In this case, "previous" means the 5 year span between 7 and 2 years ago. Thus, funding for School Year 2011-12 is based on the 5 year average from 2005-06 through 2009-10.)
2. **Base:** Prior year Special Education Add-On WPU
3. **Base plus growth:** Weighted growth is determined by comparing Special Education ADM from two years prior and Special Education ADM from one year prior, as well as the total Fall Enrollment from two years prior with the Fall Enrollment from one year prior (the rate of growth in the special education program cannot exceed the rate of growth in total enrollment). The percentage determined for growth is multiplied by a factor of 1.53, and added to the Base funding.
4. **Base minus growth:** Weighted negative growth is calculated using the same method as growth, described above. The percentage determined for negative growth is multiplied by a factor of 1.53, and subtracted from the Base funding.

Special Education Self-Contained funding is distributed per WPU, which is equal to Self Contained ADM from two years prior.

There are three significant differences to the funding formula that will be applied to charter schools.

1. Special Education Add-On funding for Districts is limited to a prevalence rate of no greater than 12.18%. If a District has greater than 12.18% of the total enrollment qualifying for special education services, funding is still limited to 12.18%. This prevalence limit has been removed for charter schools, because the Utah State Board of Education has approved some charters that are designed specifically for students with disabilities. The majority of charter schools are under the 12.18% prevalence limit.
2. Second, for charter schools with less than seven years in existence, the five year average cannot be calculated. In this case, the calculation of "Foundation" will be based on the average for the number of years the charter school has been in operation, until they reach five years, and then that will be used going forward.
3. Third, for new charter schools the funding will be based on an estimate of special education students. Unless the charter is specific to the needs of students with disabilities, the estimate for special education will be 10% of the estimated total enrollment.