Charter School Guide to the LAUSD SELPA Reorganization

Important Information about new special education options available to charter schools authorized by the Los Angeles Unified School District

Background and Summary

The Challenge
Historically, charter schools in the Los Angeles Unified School District operated under a unique special education arrangement - receiving some level of special education funding in return for providing all special education services to students enrolled in their school. This arrangement presented challenges for both charter schools and the District. As a result, at least 93 charter schools serving over 30,000 students notified the District of their intent to leave the SELPA and pursue membership in a new SELPA.

The Process
Working in a new spirit of collaboration and with a common goal of creating a viable option for charter schools to remain part of the Los Angeles Unified School District SELPA, CCSA staff and LAUSD Special Education administrators met weekly to develop a mutually beneficial solution for special education governance, funding, and service delivery.

The Outcome
The result of LAUSD and CCSA’s collective effort was a reorganization of the LAUSD SELPA. The reorganization created a charter operated entity within the existing LAUSD SELPA that allows for the full autonomy and accountability necessary for charter schools to serve an increased number and broader range of students with special needs, as well as options for schools who wish to remain schools of the district for purposes of special education. These options will take full effect as of July 2013.
The reorganization plan maintains the SELPA’s status as a single district SELPA, while creating two Units of the SELPA: a Unit for traditional district operated programs and charter schools operating as schools of the district; and a Unit for charter schools wishing to operate independently for special education. While each side of the SELPA will administer its own respective programs and services, it is intended that district and charter school programs have the ability to share services and expertise.

The entire SELPA will be administered by a single SELPA Administrator and governed by the existing Board of Education, who will each be advised by a committee of district and charter school representatives. Day to day operations and program oversight for each Unit would be managed by a District Operated Program Director and Charter Operated Program Director, respectively.

A graphic illustration of this new governance structure is shown below:
Each charter school will have the ability to choose whether to operate as a school of the district or independent member of the charter schools department.

Beginning in the 2013-2014 school year, charter schools in LAUSD will have three new options for special education:

1. **Option 1**: Operate as a true School of the District in the District Operated Programs department of the LAUSD SELPA. The District will retain all of the charter school’s special education funds and collect a fair share contribution or “encroachment fee” from the charter school, in return for providing all special education and related services to students at the charter school.

2. **Option 2**: Operate as a School of the District in the District Operated Programs, with some programmatic flexibility. While the original proposal for Option 2 was to establish a mechanism that would enable charters to provide all special education services and be reimbursed by the District, this arrangement has is currently being reconsidered and negotiated. Under this option, it is likely that the District will retain some of the charter school’s special education funds and/or collect a fair share contribution or “encroachment fee” from the charter school. However, it is likely that charter schools will be provided with some funding to hire special education staff, while also retaining the ability to access District programs and services where needed. More information on this option will be shared as it becomes available.

3. **Option 3**: Operate independently for special education as a member of the Charter Operated Programs Unit of the LAUSD SELPA. This option is similar to operating as an LEA in another SELPA. The charter school will receive their state and federal special education funds, minus a 20% contribution to the SELPA (10% of which will be contributed to support the existing administration and infrastructure, while the other 10% will be spent by the Charter Operated Programs Unit to support personnel and establish shared charter school special education programs). The charter school will assume responsibility for providing all special education and related services to students at the charter school, in the same manner as an LEA for special education.

Schools interested in joining option 3 must submit an application to the Director of the Charter Operated Programs Unit. More information on the application process and requirements is available through the Charter Operated Programs unit, or on the CCSA website.

In addition to the new options described above, charter schools may continue to operate under the existing special education arrangement outlined in their current memorandum of understanding (MOU) with the district through the 2012-2013 year.

As before, charter schools may also apply to operate as an LEA member in another SELPA. Schools interested in doing so must submit a letter notifying LAUSD of their intent to exit the SELPA. The letter must be submitted to LAUSD, the California Department of Education, and CCSA no later than June 30, 2013. Note that the letter is non-binding and simply preserves the option for the charter school to seek alternate SELPA membership. A sample letter can be found in Appendix B.

This reorganization will give charters flexibility and control in funding and program delivery, which will improve the ability of charter schools to provide innovative and high quality special education services to increased numbers of students with special needs. By providing charter schools with viable options to remain in the LAUSD SELPA, the reorganization plan ensures that charter school students and their families are able to access local educational services and administration.
<table>
<thead>
<tr>
<th>Overview</th>
<th>District Operated Programs</th>
<th>Charter Operated Programs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Option 1:</strong></td>
<td>Charter school remains a true “school of the district” with all responsibilities and privileges extended to any other school of the district.</td>
<td>Option 2: Charter school remains a “school of the district,” while retaining autonomy and responsibility for service delivery:</td>
</tr>
<tr>
<td><strong>Option 2:</strong></td>
<td>• Charters determine how services will be provided</td>
<td>Option 3: Charters operate independently for special education. Although the charters will not legally be LEAs, they will have the fiscal and programmatic flexibility, autonomy, and responsibility of LEAs.</td>
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<tr>
<td><strong>Option 3:</strong></td>
<td>• Charters are responsible for providing services</td>
<td></td>
</tr>
<tr>
<td>Service Delivery</td>
<td>• District decides how services will be delivered</td>
<td>• Charters determine how services will be provided</td>
</tr>
<tr>
<td></td>
<td>• District provides services</td>
<td>• Charters are responsible for providing services</td>
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<td></td>
<td>• District pays for services</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>• Charters cover the costs of services</td>
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<tr>
<td></td>
<td></td>
<td>• The Director may facilitate service sharing options or establish a risk pool</td>
</tr>
<tr>
<td>Funding</td>
<td>• District retains charter school share of special education funding</td>
<td>• Charter school receives its share of special education funding from the District</td>
</tr>
<tr>
<td></td>
<td>• Charter pays fair share contribution or “encroachment fee” to the District. The contribution amount will be equal to 25% of the District’s per pupil excess costs in the first year of the charter term, and will increase by 5% each subsequent year until reaching a maximum of 35%.</td>
<td>• Charter pays fair share contribution or “encroachment fee” to the District. The contribution amount will be equal to 20% of the District’s per pupil excess costs in the first and second year of the charter term, and will increase by 5% each subsequent year until reaching a maximum of 35%.</td>
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<tr>
<td></td>
<td></td>
<td>• The charter’s state and federal allocation flows to the school, minus 20% contribution retained by the SELPA – 10% will support existing infrastructure; 10% will support COP personnel and programs.</td>
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<tr>
<td></td>
<td></td>
<td>• Each individual charter decides how its funds are spent</td>
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<tr>
<td></td>
<td></td>
<td>• The Director may retain some funding to cover Unit costs, such as a service sharing or risk pool</td>
</tr>
<tr>
<td>Governance</td>
<td>• A SELPA Administrator will oversee the entire SELPA and report to the LAUSD Board of Education</td>
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</tr>
<tr>
<td></td>
<td>• An Advisory Board of charter and district representatives will inform decisions of the SELPA Administrator and Board</td>
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</tr>
<tr>
<td></td>
<td>• A DOP Director will be responsible for operations of the Unit</td>
<td>• A DOP Director will be responsible for operations of the Unit</td>
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<td></td>
<td>• As a school of the District, the district representatives on the Advisory Board will represent the interests of the charter school in SELPA-level decisions and governance</td>
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</tbody>
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Revised January 8, 2013
## SELPA Reorganization: Funding Comparison

<table>
<thead>
<tr>
<th>Year 1</th>
<th>Option 1</th>
<th>Option 2</th>
<th>Option 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sped Revenue per pupil</td>
<td>$0.00</td>
<td>$743.25</td>
<td>$743.25</td>
</tr>
<tr>
<td>Fair Share Contribution per pupil</td>
<td>-$362.50</td>
<td>-$290.00</td>
<td>-$146.80</td>
</tr>
<tr>
<td>Net Revenue per pupil</td>
<td>-$362.50</td>
<td>$453.25</td>
<td>$596.45</td>
</tr>
</tbody>
</table>

### Net Revenue: ADA

<table>
<thead>
<tr>
<th>School Type</th>
<th>ADA</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4 +</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small school</td>
<td>250</td>
<td>-$90,625.00</td>
<td>$113,312.98</td>
<td>$149,112.98</td>
<td></td>
</tr>
<tr>
<td>Medium school</td>
<td>500</td>
<td>-$181,250.00</td>
<td>$226,625.97</td>
<td>$298,225.97</td>
<td></td>
</tr>
<tr>
<td>Large school</td>
<td>1000</td>
<td>-$362,500.00</td>
<td>$453,251.94</td>
<td>$596,451.94</td>
<td></td>
</tr>
</tbody>
</table>

### Year 2

| Sped Revenue per pupil | $0.00 | $743.25 | $743.25 |
| Fair Share Contribution per pupil | $435.00 | $362.50 | -$146.80 |
| Net Revenue per pupil | $435.00 | $1,105.75 | $596.45 |

### Year 3

| Sped Revenue per pupil | $0.00 | $743.25 | $743.25 |
| Fair Share Contribution per pupil | $507.50 | $435.00 | -$146.80 |
| Net Revenue per pupil | $507.50 | $1,178.25 | $596.45 |

### Year 4 +

| Sped Revenue per pupil | $0.00 | $743.25 | $743.25 |
| Fair Share Contribution per pupil | $507.50 | $507.50 | -$146.80 |
| Net Revenue per pupil | $507.50 | $1,250.75 | $596.45 |

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Revised January 8, 2013
Frequently Asked Questions

General Questions About the New SELPA Structure

• When will the proposed SELPA structure go into effect?

The proposed reorganization of the LAUSD SELPA took effect on July 2011. Implementation of Option 3 and planning for Options 1 and 2 began during the 2011-2012 academic year.

• When will my school need to decide which option we prefer?

Charter schools may remain under their current arrangement or may apply to participate in Option 3 for the 2012-13 school year. However, **all charter schools will be required to choose one of the new options beginning in the 2013-2014 school year.** Schools wishing to elect one of the new options will need to enter into a new memorandum of understanding (MOU) with the District.

• What option is right for my school?

The proposed SELPA structure creates three distinct options for charters schools, providing the flexibility for each school to choose the option that best suits the unique needs of the school. In deciding which option is right for you, your school should consider:

**Special Education Services**
- How much flexibility and autonomy does your school want to have over special education service delivery at the school site?
- Does your school have the capacity, either on its own or working with others, to ensure access to the full continuum of placement and service options?
- Does you school have the capacity, either on its own or working with others, to ensure compliance with all applicable special education mandates?

**Finances**
- How important is it for your school to have direct access to and control over special education funding?
- If your school is considering the Charter Operated Programs Unit, can your school deliver the full continuum of special education services with the amount of funding available to the school?
- If your school is considering Option 1 of the District Operated Programs Unit, can your school contribute the required encroachment fee amount?
- If your school is considering Option 2 of the District Operated Programs, can your school contribute the required encroachment fee amount and provide services pending reimbursement from the District?

**Governance**
- Is it important for your school to have a direct voice in the governance of the SELPA? Will the option your school is considering provide your desired level of participation in SELPA governance?
Is it important for your school to have control over special education operations at the school site? Will the option you are considering provide the amount of autonomy your school desires?

**How can I ensure that my school will have a voice in SELPA governance and decision making?**

The proposed SELPA reorganization includes a Special Education Advisory Board that will serve to inform both the SELPA Administrator and Board of Education. In order to retain the authority that charters are seeking, the bylaws will define the way that this panel will engage with the Board. This panel will be made up of representatives from both the traditional public school and charter school communities, that will inform decisions made by the SELPA Director and Board of Education. The representatives from the charter school community will be selected by the Charter Operated Programs Unit and will be responsible for representing the interests of charter schools within the SELPA.

**Questions About Option 1:**
**True Schools of the District**

**What will my school need to do to become a part of the District Operated Programs?**

Charter schools that are currently operating as schools of the District for special education will remain under their current arrangement until executing a new MOU for either Option 1 or 2, or applying for membership in the Charter Operated Programs Unit.

The current funding arrangement, under which charter schools contribute 27%, 30% or 40% of their state and federal special education funds to the District, will remain an option through the 2012-2013 fiscal and academic year. However, schools will need to enter into a new memorandum of understanding (MOU) with the district delineating the new funding and service delivery arrangements for the 2013-2014 school year.

**What are the financial implications of Option 1?**

Charter schools that choose to operate as schools of the district under Option 1 of the District Operated Programs Unit will contribute all of their AB 602 and IDEA funding to the District and the District will collect a “fair share contribution” or “encroachment” fee from each school. The contribution amount will be equal to 25% of the District’s per pupil excess special education costs in the first year of the charter term, and will increase by 5% each subsequent year until reaching a maximum of 35%. Because this contribution is based on the District’s excess costs, the actual dollar amount may vary from year to year, as the District’s excess costs increase or decrease.

If the school selects an alternative option and subsequently selects to return to Option 1 before the end of its charter and MOU term, the school’s fair share contribution upon return to Option 1 will be the rate that it would have paid if it had remained continuously in Option 1.

The charter school will not be required to fund any special education services, as the District will cover the costs of providing appropriate special education and related services to students enrolled the charter school.

**What is the amount of the encroachment fee? How high will it go, and will charters have any control?**

The encroachment or fair share contribution amount will be equal to 25% of the District’s per pupil excess special education costs in the first year of the charter term, and will increase by 5% each subsequent year.
until reaching a maximum of 35%. Because this contribution is based on the District’s excess costs, the actual dollar amount may vary from year to year, as the District’s excess costs increase or decrease.

- **Will LAUSD really pay for everything – including non-public school placements, transportation, due process complaints, and legal fees?**

  Yes. The District must provide special education and related services to students attending charter schools that are operating as “schools of the district” in the same manner as is provided to students attending traditional public schools of the District. Just as traditional public schools receive transportation services, coverage for non-public school placement and legal services from the District, so will charter schools operating under Option 1. To cover these costs, the District will retain all of the charter school’s AB 602 funds and collect a “fair share contribution” or encroachment fee from these charter schools.

- **What if the services provided by the District are out of compliance, or there is a delay in services? How will this affect the charter school?**

  Schools operating under Option 1 are deemed “schools of the district” under state law. As such, the district maintains the responsibility for providing a “free appropriate public education” to students attending these charter schools. Any compliance issues that arise with regard to provision of special education services to students at these charter schools will be the responsibility of the District.

  The details of service delivery, responsibility, and handling of special education disputes will be detailed in a forthcoming Memorandum of Understanding (MOU) between charters and the District. LAUSD administrators have indicated that the District is currently in the process of drafting the MOUs for Options 1, 2, and 3.

- **Who will be the point of contact within the district to troubleshoot problems such as finding hard to find services, transportation, and comp time?**

  The point of contact will likely remain the same, although the ultimate decisions rests with the District. More detailed information will be developed during the 2012-2013 fiscal year, in preparation for the 2013-2014 year.

**Questions About Option 2: Schools of the District with Programmatic Flexibility**

- **What will my school need to do to elect this option?**

  Charter schools that are currently operating as schools of the District for special education will remain a school of the District Operated Programs Unit for special education by default, unless they apply for membership in the Charter Operated Programs Unit. However, schools will need to enter into a new memorandum of understanding (MOU) with the district delineating the new funding and service delivery arrangements.

- **What are the financial implications of Option 2**

  Charter schools that choose to operate as schools of the district under Option 1 of the District Operated Programs Unit will receive all of their AB 602 and IDEA funding from the District. However, the District will collect a “fair share contribution” or “encroachment” fee from each school. The contribution amount will be
equal to 25% of the District’s per pupil excess special education costs in the first and second year of the charter term, and will increase by 5% each subsequent year until reaching a maximum of 35%.

• What is the amount of the encroachment fee? How high will it go, and charters have any control?

The encroachment or fair share contribution amount will be equal to 25% of the District’s per pupil excess special education costs in the first year of the charter term, and will increase by 5% each subsequent year until reaching a maximum of 35%. Because this contribution is based on the District’s excess costs, the actual dollar amount may vary from year to year, as the District’s excess costs increase or decrease.

If the school selects an alternative option and subsequently selects to return to Option 2 before the end of its charter and MOU term, the school’s fair share contribution upon return to Option 2 will be the rate that it would have paid if it had remained continuously in Option 2.

Questions About Option 3 – Charter Operated Programs (“LEA-Like” Status)

• What are the financial implications of Option 3?

Charter schools that choose to become a part of the Charter Operated Programs Unit will contribute 20% of their AB 602 (including Base, Supplement to Base, COLA, Growth/Decline, and 1/3 of Program Specialist/Regional Services) and Federal IDEA funds to the SELPA. The remainder of the AB 602 and IDEA funds will be passed on to each charter school.

• What does the 20% contribution provide for?

Of the 20% contributed to the SELPA, 10% will be retained by the District and allocated to support existing District-wide administration of special education supports and services. The remaining 10% will be allocated as directed by the Special Education Advisory Board and members of the Charter Operation Program. These funds will be used to support the personnel for the Charter Operate Program Unit, build management and operating procedures, and create and implement new programs that serve students in charter schools.

• Will the 20% contribution increase over time?

The approved proposal includes a commitment that the 20% contribution be maintained for 3 years. Data will be collected annually to determine the effectiveness of the reorganization and potential need for adjustment. While the Board of Education while have the ultimate authority to make these determinations, CCSA will continue to advocate for charter interests and will facilitate a stakeholder workgroup to provide input to the District.

• What kind of risk pool and service sharing options will be available under Option 3?

It is intended that the Charter Operated Programs Unit will facilitate a risk pool and service sharing arrangements. CCSA is currently facilitating a workgroup of multiple charter leaders to discuss and develop recommendations for both a risk pool and service sharing system. However, ultimate decisions for service sharing and risk pooling will be made by the Charter Operated Program Director and participating charter schools.

• How can I ensure that my school will have a voice in SELPA governance and decision making?

The proposed SELPA reorganization includes a Special Education Advisory Board (SEAB) that will serve to inform both the SELPA Administrator and Board. The SEAB will be made up of 3 District
representatives and 2 representatives from the charter school community. All SEAB members will be appointed by the Board of Education. The representatives from the charter school community will be nominated by the Charter Operated Programs Unit and will be responsible for representing the interests of charter schools within the SELPA.

- **Will the Charter Operated Program Director be an LAUSD employee? What processes will be put into place to ensure that the Director represents charter interests?**

  The Charter Operated Program Director will be selected jointly by the charter schools joining Option 3. Once a candidate is selected, the individual will be hired by LAUSD according to LAUSD protocol. Once Option 3 is established, a governing council will be established to make future governing decisions for Charter Operated Program Unit. The council will determine how future candidates will be selected and hired, and will establish procedures to ensure that the Director represents charter school interests.

- **How will we make sure each charter school does its part to accept and serve all students without discriminating?**

  To ensure that each charter school participating in Option 3 has the experience, commitment and capacity to provide high quality special education services to all students, a stringent review process will be used in accepting schools to the Charter Operated Program Unit. The review process will require applicants to respond to questions regarding their special education programs and infrastructure, submit supporting documents about the school’s history and performance, and participate in a phone interview. Applicants will be evaluated by a panel consisting of at least three of the following: a representative from the Special Education Division; a representative from the Office of the Superintendent; a representative from the California Charter Schools Association (CCSA); an individual with experience as a SELPA administrator and with no current affiliation with either the District or CCSA; and a charter school administrator.

  In future years, the Charter Operated Program Unit’s governing council and Director will maintain and revise membership standards, as well as develop admissions procedures. The council committee will be responsible for reviewing applications and selecting new members.

  In addition, CCSA is facilitating a workgroup that has developed recommendations for membership standards and core principles to guide operations of the Unit. All participating schools will be expected to adhere to these standards by signing a participation agreement.

- **Are charter schools within LAUSD able to serve students with moderate to severe disabilities?**

  Yes. Several charter schools in LAUSD are currently serving students with moderate to severe needs. Additional programs and services may be developed by the Charter Operated Programs Unit.

- **Who is the LEA? Can the District abrogate its federal obligation to provide services to students in charter schools?**

  The new SELPA structure maintains the SELPA’s status as a single-district SELPA. Although charter schools operating in the Charter Operated Program Unit will be responsible for providing special education services to their students, these schools will not have local educational agency (LEA) status. The District will retain LEA status. As such, the District will retain ultimately responsibility under the law for providing services. Although the charter schools will assume responsibility for service delivery, the District remains accountable to the state and federal governments for providing a “free appropriate public education” to these students. Presumably, the District will require agreement from the charter schools to indemnify the District in the event of a due process proceeding. This is similar to the current arrangement between LAUSD and charter schools, set forth in various memoranda of understanding.
• What is the Application Process for Option 3?

A charter school authorized by the Los Angeles Unified School District ("District") seeking membership in the Charter Operated Programs Unit ("the Unit" or "Option 3") during the first year of the Unit’s operation may request to join via the following procedure:

1. Submit application to Sydney Quon, Director at Sydney.quon@lausd.net or 333 S. Beaudry Ave Floor 17 Los Angeles, Ca 90017.
2. Following receipt of your application, you will receive an email confirming receipt and scheduling a site visit and interview of key stakeholders.
3. Applications will be reviewed and interviews will be conducted on a rolling basis.
4. Each applicant will be notified of their acceptance or denial by May 1, 2013.

Please visit www.calcharters.org for more information on the reorganization, including the application materials for Option 3.
APPENDIX A: SAMPLE NOTIFICATION OF INTENT TO JOIN OPTION 3

[CHARTER SCHOOL(s) LETTER HEAD]

[Date]

Sharyn Howell
Executive Director
Division of Special Education
Los Angeles Unified School District

Dear Sharyn Howell,

On behalf of [charter school], please accept this letter as notification of our commitment to apply to the new LAUSD Charter Operation Programs Unit (“Option 3”), beginning [state intended date to join. July 1, 2011 or July 1, 2012].

We understand that a formal application process will be initiated upon the hiring of the new Charter Operated Unit Director and intend to submit a proper application at that time.

While this letter serves as notice of our interest in and commitment to apply to the Charter Operated Programs Unit, please note that we reserve the right to remain under our current financial arrangement, should we later determine that arrangement to be best-suited for our program.

[Name]
[Title]
[Charter School]
[Phone/Contact Information]

Cc: California Charter Schools Association
    Allison Bajracharya
    Gina Plate
APPENDIX B: SAMPLE NOTIFICATION OF EXIT

If you intend to join a new SELPA, a letter such as the sample below must be sent to LAUSD, the California Department of Education, and the California Charter Schools Association by June 30 of the year preceding the year in which you intend to join the new SELPA.

[CHARTER SCHOOL LETTER HEAD]

[DATE]

[SELPA Director Name]
SELPA Director
[SELPA NAME] SELPA
[SELPA ADDRESS]

Dear [SELPA Director]

Please accept this letter as a formal notification that [SCHOOL NAME] intends to exit the [SELPA NAME] SELPA effective school year 2013-2014.

In order to ensure that [SCHOOL NAME] is best equipped to meet the needs of its special needs students, it is considering membership in an alternate SELPA. It also remains open to formulating revised agreements with the [CURRENT SELPA NAME] SELPA and welcomes any related correspondence. If [school name] finds that it does not make sense to exit at this time, it retains the right to rescind this notification and remain with [SELPA NAME] for the 2012-2013 school year.

Please let me know if you require further information.

Sincerely,

[Name]
[Title]
[Charter School]
[CDE Charter School Number]
[CDE County-District-School Code]
[Phone/Contact Information]

Cc: Fred Balcom, California Department of Education
    Gina Plate, California Charter Schools Association

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