

Notes on "New" SPED Funding Formula

Lines 1-64B	Based on prior year data
Line 2	Extended school year
Line 3	ADSIS salary
Line 10	SPED Aid Option 1
Line 11	All Sped expenditures not listed above and not paid for with federal funds (<i>mostly SPED fringe</i>)
Line 12	ADSIS (<i>mostly fringe</i>)
Line 17	SPED Aid - Option 2
Lines 18-27	Census based (<i>MARSS December 1st data</i>) (<i>students served</i>)
Lines 28-38	Based on students served (<i>MARSS December 1st data</i>) (<i>2012 cost data by disability</i>)
Line 40	SPED Aid Option 3
Line 41	Growth Factor (May have been added because of 2012 cost data by disability)
Line 42	Net Aid Option 3
Line 43	Lesser of 3 SPED funding options
Line 52	Excess cost aid calculation A (<i>If you are a coop or ed district and have no students you will generate 62% on all Sped expenditure using this calculation.</i>)
Line 56	Excess cost aid calculation B
Line 57	Excess cost aid greater of calculation A or B
Lines 58-60	Special Transportation (FIN 723) (<i>No longer an add-on to SPED aid</i>) (<i>Reimbursement rate??</i>)
Line 64A	Proration factor
Line 64B	Gross SPED aid
Line 65	Tuition Adjustment new law %90 - %10 (<i>No longer a plus or minus to SPED final aid</i>)
Line 66	Net Sped aid prior to growth limit and hold harmless
Lines 66A-69	Uses FY16 data to calculate hold harmless and growth limit
Line 69	Base year (FY16) tuition adjustment using old data old law, tuition adjustment this year positive or negative will affect SPED aid forever
Line 70	Base year funding calculation FY16, will be used to set minimum and maximum until legislation changes
Line 71B	Ratio of Line 70A FY 16 ADM/Line 71A Current year ADM (<i>Very Important</i>)
Line 71C	Growth factor .046 will remain constant
Line 71D	Minimum SPED aid hold harmless (<i>decreased or increased by ratio in from 71B</i>)
Line 72	Amount of increase \$100 FY17, \$140 FY18, and increases by \$40 per year after that
Line 73	ADM Served *line 72
Line 74	Maximum SPED aid/growth limit
Line 75	Net Aid for Districts
Line 76	Gross Special Education Aid
Line 77	Tuition Adjustment (resident students being served elsewhere)
Line 78	Net State Special Education Aid

Line 76 - Line 78 = cross-subsidy

Considerations

Critical Factors for Special Education Funding

- New SPED funding formula uses prior-year data.
- Special education cooperatives, education districts, service cooperatives, and intermediate districts receive state SPED aid.
- Initial Aid is comprised of three options and you get the least amount - you can not predict nor can you try to maximize your initial aid.
- There are no “universal” ways to maximize, adjust, and plan for your special ed. aid.
- None of this has an effect on MA billing revenue.

Minimum and Maximum

- Special education cooperatives, education districts, service cooperatives, and intermediate districts are not subject to the minimum and maximum calculations, which impacts tuition billing to traditional districts.
- District cannot receive less funding than the minimum calculation listed on line 71D. (yet there is now a proration 2%-3%, however that can change pending new legislation)
- A district cannot receive more funding than the maximum calculation listed on line 74.
- Enrollment changes up or down will affect minimum and maximum calculation see ratio line 71B.
- **If line 66 falls between line 71D and Line 74** then line 66 is the SPED aid the district will receive
- **If line 66 does not fall between line 71D and line 74**
 - *and the aid amount on line 66 is larger than line 74* the district is funded on line 74
 - *and the aid amount on line 66 is smaller than line 71D* the district is funded on line 71D

Districts at the Maximum

- If a school district is funded at the maximum level which is line 74, and the district’s SPED costs grow rapidly in the current year, the district will not be funded on any of the growth.
- If a school district is funded at the maximum level and the district serves a lot of open-enrolled students, the district may not receive all of their tuition billing revenue. *Meaning all costs in special education not covered by line 74 will come from the serving district’s general fund.*
- If the district’s current year for homelessness or care and treatment transportation cost grow, the district will not be funded on any of the growth and may be “pushed” to the cap as transportation is 100% funded.
- If a school district is funded at the maximum level and has expenditures that are not being reimbursed, they may want to consider using Federal Funds or Third Party Billing to offset expenses.

Districts at the Minimum

- If the school district is funded at the minimum line 71D the district may not pay all costs of tuition bills.
- If a school district is funded at the minimum level and the district uses Federal Funds or Third Party Billing Aid to pay for their benefits, they will lose revenue.