

California's Special Education Local Plan Areas: Funding Patterns, Inclusion Rates, and Student Outcomes

A Publication of the National Center for Education Evaluation and Regional Assistance at IES



California’s Special Education Local Plan Areas: Funding Patterns, Inclusion Rates, and Student Outcomes

Sara Menlove Doutré, Tyson Barrett, & John Rice

December 2021

California requires each school district to belong to a Special Education Local Plan Area (SELPA) for special education planning and governance. The California Department of Education (CDE) and the State Board of Education (SBE) are interested in the impact on the surrounding small and mid-sized districts when large districts become single-district SELPAs. Given one of the original motivations of SELPAs was economies of scale, the state wanted to examine the association between different SELPA types and district configurations and outcomes, including SELPA funding patterns, inclusion rates of students receiving special education services in the general education environment, and academic outcomes for students receiving special education services. This study examined those differences using publicly available data. The findings provide mixed evidence for the possible implications of large districts leaving multidistrict SELPAs to form single-district SELPAs. The study found no meaningful association between different SELPA and district configurations and academic outcomes for students with disabilities—including graduation and dropout rates—and proficiency rates in math and English language arts and on the alternative assessment. Several meaningful differences with regard to funding and inclusion were found. For example, when comparing multidistrict SELPAs with and without a large district, multidistrict SELPAs without a large district received larger per pupil apportionments and had higher inclusion rates. Also, when comparing small districts in multidistrict SELPAs with and without a large district, inclusion rates were higher for preK students and lower for K–12 students in SELPAs without a large district. The larger amount of per pupil special education funding in multidistrict SELPAs without a large district may help to alleviate some concern about the impact of large districts separating from surrounding small and mid-sized districts to become their own SELPAs. The CDE and the SBE may want to further examine which regionalized programs are implemented by SELPAs of different compositions and how they benefit small districts. Further research could consider more complex analyses to better understand the outcomes that may be due specifically to membership in a single-district versus a multidistrict SELPA.

Why this study?

Many states employ regional or intermediary agencies in their special education systems. California requires each school district to belong to a Special Education Local Plan Area (SELPA) for special education planning and governance. The purpose of SELPAs is to create geographic consortia of sufficient size to generate “economies of scale”¹ for providing special education services, with the goal of benefitting students served by California’s numerous small school districts. Both multidistrict SELPAs and single-district SELPAs exist, the latter typically comprising one large district. Multidistrict SELPA governing boards, comprising member district superintendents or other leaders, determine how state and federal special education funding will be allocated within the SELPA

¹ In most states (and in California before 1977), each school district is solely responsible for serving students who are eligible for special education services within its jurisdiction. However, such a system may put small districts at a disadvantage in procuring the necessary resources and personnel as well as in experiencing economies of scale that may help larger districts better serve students receiving special education services. In small districts, even those with relatively few students receiving special education services, containing special education spending is made more difficult by the fixed costs associated with certain special education services. Pooling resources across districts may help address this challenge and enable districts to “offer services that they would not be able to provide on their own” (Legislative Analyst’s Office, 1985).

and whether, and to what extent, the SELPA will coordinate regional programs or services. There is no single “SELPA service model,” and they vary greatly in their provision and coordination of services for students in member districts. Single-district SELPAs experience greater autonomy in allocating resources and are not responsible for helping fund regional programs. When California school districts were required to join SELPAs in 1977, 10 districts were granted single-district SELPA status (Legislative Analyst’s Office [LAO], 1985) based on the size requirements of serving at least 30,000 K–12 students in metropolitan areas or at least 15,000 K–12 students in nonmetropolitan areas (California Department of Education, n.d.).

Over the past decade, the California Department of Education (CDE) and the California State Board of Education (SBE) have received an increasing number of requests from districts to leave multidistrict SELPAs and become single-district SELPAs. These requests are often made so that large districts can more easily administer their own special education funds and not have to coordinate with other districts. The number of single-district SELPAs doubled to 20 by 2010 and more than doubled again, to 42, by 2016 (LAO, 2019). Single-district SELPAs provided special education services to approximately 240,000 students in the 2016/17 school year, 40 percent of California students receiving special education services. Approximately 360,000, or 60 percent of California’s 600,000 students who received special education services, were enrolled in a district that was part of a multidistrict SELPA in the 2016/17 school year (table 1).

The SBE has more frequently waived the size and scope requirements in recent years, allowing districts that did not surpass the minimum size thresholds to become their own single-district SELPAs. The increase in requests and waivers may be related to California’s Local Control Funding Formula (LCFF), enacted in 2013. The LCFF increased accountability at the district level for improved outcomes for all students, including students with disabilities. The LCFF combined nearly all categorical funding streams—such as funding for English learner students and foster students—except special education, which continues to be allocated to SELPAs rather than school districts. Beginning in the 2020/21 school year, the California legislature placed a moratorium on the creation of single-district SELPAs (S. 98, 2019-2020) because of concerns that allowing larger districts to leave multidistrict SELPAs may increase the risk that the remaining districts, which are often midsized or small, will not be collectively large enough to meet the original purpose of SELPAs, which is to provide a full continuum of services for children with disabilities (LAO, 1985).

The CDE and the SBE partnered with the Regional Educational Laboratory West to compare single-district SELPAs, multidistrict SELPAs with a large district, and multidistrict SELPAs without a large district on characteristics and outcomes other than the services provided.² Understanding the differences across different SELPA structures, and those across different-sized districts within multidistrict SELPAs, may shed light on the potential impacts of the large increase in single-district SELPAs on academic outcomes among students receiving special education services. This report examines differences across various SELPA and district configurations in characteristics, funding, inclusion rates, and academic outcomes for students receiving special education services. Although these differences and associations provide some insights about the implications of districts withdrawing from SELPAs, they do not support any causal inferences about either the effects of different SELPA configurations or the impact of large-district departures from multidistrict SELPAs.

In 2021 and 2022, the California legislature and the SBE will consider whether new rules for creating single-district SELPAs should be more restrictive or more flexible. This study will help the CDE and the SBE understand the potential consequences of revisions to state law requiring SELPA membership and establishing criteria for granting new single-district SELPA status.

² Currently, there is no systematic data collection on the services provided by individual SELPAs or districts. So, examining associations between services provided and student outcomes is not possible.

Background on Special Education Local Plan Areas in California

Since 1977, under California Education Code (i.e., Assembly Bill 602), SELPAs serve as California’s subgrantees under the Individuals with Disabilities Education Act (IDEA). All federal and state special education dollars are allocated and distributed directly to SELPAs. SELPAs then pass the funds through to member districts or retain funds to provide regionalized and other services for member districts. The amount of funding each district receives from its SELPA is based on a local-formula allocation plan that is determined and approved by each SELPA’s governing board. While each member district is responsible for determining its own students’ eligibility for special education services, developing their individualized education programs (IEPs), and providing them with special education services, SELPAs provide technical assistance to their member districts, often through regional activities. Some SELPAs also provide services directly to schools by funding positions. The amount, type, and delivery mechanisms for shared and direct SELPA-funded services vary based on the needs of their student populations and their local governance, allocation, and services plans. For example, some SELPAs allocate nearly all of their funds to their member districts. These districts then fund many special education services. Other SELPAs fund shared or regional programs, including those for program-specific groups of children, typically in low-incidence disability categories (e.g., regional programs for the deaf). Shared programs can be hosted by member districts or by SELPAs through a county office or another agency.

Despite the original intent of SELPAs to create economies of scale for smaller districts, small districts in California continue to spend disproportionately more on special education compared to other districts and states both in terms of the percentage of overall spending on special education and in comparison to students not identified as in need of special education (Warren & Hill, 2018; Chambers, Parrish, Esra, & Shkolnik et al., 2002). In 2018, SELPA per pupil daily funding rates ranged from \$488 to \$936 (LAO, 2018). Some have advocated that SELPAs be eliminated so that districts would receive their special education funding directly from the state, which is the same way California allocates federal and state funding for general education. This option may be considered by the state legislature in 2021 and 2022.

Very little is known about the association between different SELPA configurations and the achievement of the economies of scale SELPAs were intended to achieve. For example, a multidistrict SELPA that is composed of only small districts (or small and midsized districts) may create economies of scale differently than a multidistrict SELPA that has one large district and several small or midsized districts. One of the important questions—particularly about economies of scale and resources—is whether the inclusion of a large district in a multidistrict SELPA is associated with meaningful benefits for small and midsized districts. As such, an aim of this study was to not only compare SELPA types (single district versus multidistrict) but to also investigate different compositions of multidistrict SELPAs and the extent to which those compositions are associated with the rates of students placed in general education settings to various degrees and academic outcomes. This study also aimed to produce evidence on relationships between these outcomes and SELPA composition for small or midsized districts that were members of a multidistrict SELPA that did or did not include at least one large district. This evidence provides useful context for policy discussions about the merits of requiring large districts to be members of a multidistrict SELPA. Although the study findings cannot isolate the effects of more large districts withdrawing from multidistrict SELPAs, it can identify patterns that might point to how this question should be investigated in the future.

Box 1. Key terms

More extensive definitions of measures and variables are in appendix A.

Alternative assessments. As part of holding each state, district, and school accountable for the achievement of all students, including students receiving special education services, the federal government requires that alternative assessments be provided for students who are unable, even with accommodations, to participate in regular assessments. Students who have significant cognitive disabilities may be assessed using alternate formats that are aligned to the grade-level content but based on alternate achievement standards that define proficiency differently from the standards used for the general assessments.

District size. This report uses three size categories based on total *student* enrollment. A large district enrolls 20,000 or more students, a mid-sized district enrolls 2,000 to 19,999 students, and a small district enrolls fewer than 2,000 students. This study used a different cutoff from the cutoffs used by the California Department of Education (CDE) and the California State Board of Education (SBE) for single-district Special Education Local Plan Area (SELPA) size requirements in order to examine differences by size within multidistrict SELPAs.

Individualized education program (IEP). Each student receiving special education services has an IEP that establishes the child’s eligibility for special education, documents the child’s current levels of performance and educational goals, and specifies special education services to be provided.

Inclusion in the least restrictive environments (LRE). The Individuals with Disabilities Education Act (IDEA) requires that, to the “maximum extent that is appropriate,” students with disabilities are educated in classrooms with peers who do not receive special education services and that students with disabilities have access to the general education curriculum. However, participation in general education may not be appropriate for each student with a disability; the least restrictive environment is determined by each student’s IEP team based on the student’s unique needs. For some students, a setting outside of general education may be most appropriate, such as a setting for students who are deaf and benefit from participating in an environment with peers who communicate using a common language. To examine inclusion, this study used the LRE categories used for collecting and reporting required data annually under IDEA Section 618 for K–12. Inclusion is measured via the proportion of students receiving special education services who spent at least 80 percent of the school day in general education settings (usually denoted as LRE), students who spend 40 percent or less of the school day in general education settings, and students who spend their school day in a separate setting. For purposes of this study, pre-kindergarten (preK) LRE or inclusion is also measured by the U.S. Department of Education indicator: the percentage of students who receive their special education services in a regular early childhood program and the percentage of students who receive their services in a separate program or setting.

Special Education Local Plan Area (SELPA). California requires each district to form or join a SELPA to develop a plan for delivering special education services. In 2016/17, California had 130 SELPAs—83 multidistrict SELPAs, 42 single-district SELPAs, 4 charter-only SELPAs, and 1 SELPA serving students in Los Angeles County court schools.³ However, this study did not include the Los Angeles County court schools’ SELPA because of its uniqueness. Also, this study also did not examine the 4 charter-only SELPAs because the necessary data were not available for all charter schools.

SELPA type. Although each SELPA operates based on a unique governance plan, consistent data on SELPA activities were not available, including the extent of each SELPA’s coordination or provision of services to member districts. California does not assign a typology to SELPAs based on SELPA activities, and sufficient data were not available to create a typology of SELPAs beyond whether each was a multidistrict or single-district SELPA.

Multidistrict SELPA. Multiple districts form regional, multidistrict SELPAs to coordinate their special education plans. In 2016/17, 60 percent of students receiving special education services attended a district that was part of a multidistrict SELPA.

Single-district SELPA. A district can serve as its own SELPA. Historically, districts were required to meet size and grade-span requirements of having at least 30,000 K–12 students in metropolitan areas or at least 15,000 K–12 students in nonmetropolitan areas. However, in recent years, the CDE and the SBE have approved waivers of the longstanding size and scope requirements for some districts to become single-district SELPAs.

Students receiving special education services. For the purposes of this study, students receiving special education services are those who had an IEP during the 2016/17 school year; they do not include students who previously had an IEP but no longer had an IEP in 2016/17 or students with another type of special education plan, such as a plan under Section 504 of the Rehabilitation Act, often referred to as a “504 plan.”

Student outcomes. This study examines student outcomes, including graduation rates, dropout rates, and proficiency on statewide standard and alternative assessments, for students receiving special education services.

³ The Los Angeles County Office of Education operates a countywide SELPA for students with disabilities who are in alternative education programs within its Juvenile Court Schools. This SELPA also serves students in the International Polytechnic High School, the Los Angeles County High School for the Arts, and certain charter schools.

Per pupil special education funding. This is the average amount of federal and state funding received by SELPAs and districts per student. It is calculated by dividing the total federal and state special education apportionments to the SELPA by the average daily attendance for all students with or without disabilities. It is important to note that the district funding calculations reflect an even division of the total funding only and do not necessarily reflect each SELPA's allocation plan, which may result in different amounts for each district. Data were not publicly available on the actual per pupil amounts allocated by multidistrict SELPAs to member districts.

State special education apportionment. State funds are apportioned to SELPAs for special education services based on aggregated average daily attendance counts for member districts. The SELPA receives an apportionment based on an established rate that is the same for each member district in a multidistrict SELPA. However, the SELPA's allocation plan may change the allocation calculations for its member districts. Details on variation of the per student and per district apportionments within a multidistrict SELPA were not reported nor publicly available.

Federal special education apportionment. Federal funds provided to California under the IDEA are also allocated and distributed to SELPAs, not districts, using a formula mandated in IDEA that consists of a base payment based on historical data and additional funding based on total membership (students with and students without disabilities) and the proportion of students qualified as living in poverty. Data on the amounts of district allocations were not publicly available for the 2016/17 school year.

Average daily attendance. This is the total number of days students attended school divided by the total number of days in the regular school year. This measure—using all student attendance, including students who do and do not receive special education services—is used to calculate the majority of the state special education funding apportioned to SELPAs.

Research question

What are the differences in terms of student populations, characteristics, funding, inclusion rates, and academic outcomes for students receiving special education services between the following types of districts and SELPAs?

- Single-district versus multidistrict SELPAs.
- Multidistrict SELPAs that include a large district versus multidistrict SELPAs without a large district.
- Small districts included in multidistrict SELPAs with a large district versus small districts included in multidistrict SELPAs without a large district.
- Midsized districts included in multidistrict SELPAs with a large district and midsized districts included in multidistrict SELPAs without a large district.

The analyses compared district and SELPA characteristics, including locale (e.g., metropolitan, suburban, rural), special education funding, and the number and percentage of students receiving special education services who were educated in general education settings with their peers who did not receive special education services. The academic outcomes examined included high school graduation and dropout rates for students receiving special education services and the percentage of students receiving special education services who were proficient in English language arts and mathematics and on the alternative assessment.

For context, each comparison is done in light of the total number of students—all students and students with IEPs—within the SELPAs and districts being compared. Table 1 provides the total students enrolled and total students receiving special education services statewide as well as in the different SELPA types and districts compared in the analyses.

Table 1. Total enrollment and number and proportion of students receiving special education services, by SELPA type and district composition (2016/17)

SELPA type or district composition	Total students enrolled (1000s)	Total students receiving special education services (1000s)	Percent of students receiving special education services
Statewide	5,481	596	100.00
Single-district SELPA (N = 42)	2,131	238	40.00
Multidistrict SELPA (N = 83)	3,350	358	60.00
Multidistrict SELPA with at least one large district (N = 24)	1,635	172	29.00
Multidistrict SELPA without a large district (N = 59)	1,715	186	31
Small district in a multidistrict SELPA with at least one large district (N = 76)	16	1	0.00
Small district in a multidistrict SELPA without a large district (N = 371)	34	4	1.00
Midsized district in a multidistrict SELPA with at least one large district (N = 144)	396	39	7.00
Midsized district in a multidistrict SELPA without a large district (N = 379)	602	62	10.00

Note: The total number of students is approximate given data suppression for very small counts.

Source: California Department of Education via DataQuest.

Box 2. Data sources, population, methods, and limitations

Data sources. The analyses for this report were conducted using publicly available data retrieved from the California Department of Education website and collected and reported through the California Special Education Management Information System, the California Longitudinal Pupil Achievement Data System, and the California School Dashboard. The study team analyzed data from the 2016/17 school year, the most recent year with the most complete set of publicly available statewide data, including student outcome data, at the outset of the study.⁴

Population. The study team examined data for 125 SELPAs in California: 42 single-district SELPAs and 83 multidistrict SELPAs (24 multidistrict SELPAs with a large district and 59 multidistrict SELPAs without a large district). The study did not examine data from the 4 charter-only SELPAs or the 1 SELPA serving students in Los Angeles County court schools. Further, the data come from 1,050 districts (46 in single-district SELPAs and 1,004 in multidistrict SELPAs). There is a discrepancy between the number of single-district SELPAs (42) and the number of districts in single-district SELPAs (46) due to 4 districts that include a special unit within the district that is counted as a separate district (e.g., a day program operated by the district). The analyses include the full population of students with IEPs in California except those served in charter-only SELPAs, Los Angeles County court schools, and other state agencies. Also, a group of small districts (fewer than 10) had very high rates of students receiving special education services (up to 92 percent). These small districts included special schools or programs at county offices of education, charter schools that offer specialized programs for students with disabilities, and other unique programs. Some are classified in the data reporting systems as single-district SELPAs. So, these districts are included in SELPA analyses but are not included in the district-level analyses by size and type.

Methods. The study team analyzed available data at the district and SELPA levels to compare outcomes between single- and multidistrict SELPAs, multidistrict SELPAs that included or did not include at least one large district, and small and midsized districts that were in a SELPA that did or did not include at least one large district. The analysis compared characteristics including locale (e.g., metropolitan, suburban, rural), the number and percentage of students receiving special education services, funding for special education services, the percentage of special education students who spent different proportions of the day in general education settings that included students without disabilities, and academic outcomes (i.e., high school

⁴ Since the 2016/17 school year, per pupil apportionments have increased for most SELPAs as part of the state's ongoing efforts to increase special education funding.

graduation and dropout rates and percentage proficient in English language arts and mathematics and on the alternative assessment) among students receiving special education services. The team calculated descriptive statistics, including percentages, means, minimums, and maximums. The SELPA-level analyses are the averages (weighted by enrollment) of the values for the districts within each SELPA. There was no weighting for the district-level analyses. Because the team's analyses used nearly the entire population of single- and multidistrict SELPAs in the state (all but one unique SELPA serving Los Angeles County court schools and four charter-only SELPAs), no inferential statistics are warranted. No causal attributions are made in this report.

Meaningful differences. An essential aspect of the comparisons made throughout this report is whether the differences in the data are “meaningful.” That is, is the difference large enough that policymakers should take note? For this purpose, balancing the difference in the averages while accounting for the variation within SELPA types is important. To do so, the study team considered a meaningful difference to be any difference between two groups greater than 0.50 standard deviation as measured by Cohen's *d* or *h*.

When a difference between two groups is larger than 0.5 standard deviation, it suggests that approximately 20 percent of the values between two groups (e.g., single-district versus multidistrict SELPAs) do not overlap (Grice & Barrett, 2014). It also suggests that nearly 70 percent of the values among the members in the group with the higher average value are above the mean of the group with the lower average (Schäfer & Schwarz, 2019; Grice & Barrett, 2014).

Limitations. The study does not support causal inferences about the effects of large districts withdrawing from multidistrict SELPAs. However, the results presented herein are valuable for understanding patterns and trends as well as for guiding future investigations designed to support causal inferences. The study is cross-sectional; it does not assess changes over time in academic outcomes for students with disabilities but rather uses data from only one point in time. Values of these measures are often very low for students receiving special education services, and examining those students' progress over time could be useful to the state as it assesses the utility of SELPAs. As the state continues to evaluate its infrastructure and programs' impacts on outcomes for students receiving special education services, it may want to consider additional outcome data, including progress-monitoring data, that districts and schools collect that indicate the extent to which students are progressing year to year on meeting their IEP goals, which is predictive of costs of education and of student outcomes independent of the progress on statewide assessments (Willis, Doutre, & Jacobson, 2019). Because the requirement that districts belong to SELPAs is unique to California, the implications beyond California are limited.

Findings

SELPA-level finding: Single-district SELPAs were more likely than multidistrict SELPAs to be located in metropolitan areas and to have lower rates of inclusion for students receiving special education services.

Single-district SELPAs served approximately 40 percent (about 240,000 students) of students receiving special education services in California and differed from their multidistrict counterparts in terms of their locations, with more located in metropolitan areas compared to multidistrict SELPAs (table 2). This is not surprising due to the state's size and scope requirements for forming a single-district SELPA. It is unlikely that a rural district in California would meet those requirements. There were no meaningful differences between single-district SELPAs and multidistrict SELPAs on measures of per pupil special education funding. Furthermore, there were no meaningful differences between single- and multidistrict SELPAs in the proportion of students receiving special education services who were proficient in English language arts or math or on the alternative assessment or in terms of graduation or dropout rates.

Notably, single-district SELPAs had meaningfully lower rates of inclusion among students receiving special education services. In particular, compared to multidistrict SELPAs, a higher proportion of students with disabilities in single-district SELPAs were in a general education setting for less than 40 percent of the school day (see table 2). This indicated a more restrictive environment for some K–12 students with disabilities in SELPAs that comprised only a single district compared to such students in a multidistrict SELPA. These data are further

explored within multidistrict SELPAs below. There were no meaningful differences between single- and multidistrict SELPAs on the other indicators of inclusion.

Table 2. SELPA characteristics, funding, inclusion, and outcomes for students receiving special education services, by SELPA type (2016/17)

Characteristic	Overall	SELPA type		Cohen's <i>d</i> or <i>h</i>
	Mean (Range) N = 125	Single district N = 42	Multidistrict N = 83	
SELPA characteristic				
Percent metropolitan	48	81	30	1.08*
Number of schools per SELPA	72 (7–1,016)	79 (12–1,016)	66 (7–241)	0.12
Number of districts per SELPA	8 (1–48)	1 (1–4) ^a	13 (2–48)	1.50*
Number of students with IEPs per SELPA	4,862 (111–74,763)	5,675 (565–74,763)	4,311 (111–28,320)	0.17
Percent of students with IEPs per SELPA	11 (6–17)	11 (7–13)	11 (6–17)	0.16
SELPA funding				
Per pupil state and federal special education apportionment (\$)	570 (494–1,230)	550 (498–752)	584 (494–1,230)	0.34
Inclusion of students receiving special education services (mean percent of students with IEPs)				
Preschool – percent received services in a regular early childhood program	58 (8–100)	56 (13–99)	59 (8–100)	0.13
Preschool – percent received services in a separate program	30 (0–91)	33 (0–84)	28 (0–91)	0.25
K–12 – percent of students who spend 80 percent or more of the school day in a general education setting	55 (28–78)	53 (28–66)	56 (42–78)	0.33
K–12 – percent of students who spend less than 40 percent of the school day in a general education setting	21 (2–39)	25 (8–39)	18 (2–34)	0.92*
K–12 – percent of students educated in a separate setting	3 (0–10)	4 (0–10)	3 (0–7)	0.48
Outcomes for students receiving special education services (mean percent of students with IEPs)				
Percent proficient in ELA	17 (4–41)	17 (6–41)	17 (4–36)	0.09
Percent proficient in math	13 (2–37)	13 (2–37)	13 (4–32)	0.11
Percent proficient on the alternate assessment	8 (0–22)	9 (5–22)	8 (0–19)	0.42
Graduation rate (percent)	72 (39–100)	69 (46–90)	73 (39–100)	0.42
Dropout rate (percent)	5 (0–23)	6 (1–22)	5 (0–23)	0.16

SELPA is Special Education Local Plan Area. IEP is individualized education program. ELA is English language arts.

* Indicates a meaningful difference. A meaningful difference is any difference between two groups greater than 0.50 standard deviation as measured by Cohen's *d* or *h*.

a. The range is 1–4 because four districts that include a special unit within the district are counted as separate districts by the California Department of Education (e.g., a day program operated by the district).

Source: California Department of Education via DataQuest.

SELPA-level finding: Multidistrict SELPAs that did not include a large district received larger per pupil special education funding and had higher inclusion rates than multidistrict SELPAs with a large district.

Multidistrict SELPAs without a large district received an average of \$78 more per pupil in total state and federal special education apportionments (for all students, both those with and those without disabilities) than multidistrict SELPAs with a large district (table 3). This finding is likely mostly attributable to the differences in the apportionment rates in the current funding formula, which are the same per pupil rates negotiated under a previous funding formula for each SELPA. Furthermore in recent years the state has increased special education funding, reducing the variability in per pupil amounts across the state. Each SELPA has an established per pupil funding amount. So, when a large district leaves a SELPA both the new single-district SELPA and the multidistrict SELPA receive the same per pupil amount. In other words, the new district retains the per pupil funding rate of the multidistrict SELPA.

Districts belonging to multidistrict SELPAs without large districts also placed a meaningfully higher proportion of preK and K–12 students in general education settings for higher percentages of the school day than did multidistrict SELPAs with large districts. Compared to their counterparts with a large district, multidistrict SELPAs without a large district provided higher percentages of services to preK students in regular early childhood programs (63 versus 50 percent). In addition, in multidistrict SELPAs without a large district, a higher percentage of K–12 students spent more than 80 percent of their school day in a general education setting than in multidistrict SELPAs with a large district (57 versus 53 percent). At the same time, a lower percentage of students receiving special education services in multidistrict SELPAs without a large district spent less than 40 percent of their school day in general education than was the case for multidistrict SELPAs with a large district (17 versus 22 percent).

One limitation of looking at average LRE rates across a SELPA is that each district makes and is responsible for placement decisions for students. Although there are meaningful differences between the two types of SELPAs, the range of percentages of LREs within each SELPA type is large, implying that decisions are made based on district context and not by the SELPA as a whole, which is reflected in the findings that follow about district LRE rates. The percentage of K–12 students who spent more than 80 percent of their school day in a general education setting ranged from 42 to 68 percent in multidistrict SELPAs with at least one large district and from 42 to 78 percent in those without a large district. There were no meaningful differences between multidistrict SELPAs with or without large districts for any of the other outcomes examined (see table 3).

Table 3. Multidistrict SELPA characteristics, funding, inclusion, and outcomes for students receiving special education services, by SELPA district composition (2016/17)

Characteristic	Multidistrict SELPA type		Cohen’s <i>d</i> or <i>h</i>
	Mean (Range)		
	With at least one large district N = 24	Without a large district N = 59	
SELPA characteristic			
Percent metropolitan	54	21	0.86*
Number of schools per SELPA	86 (43–137)	61 (12–241)	0.56
Number of districts per SELPA	9 (2–29)	14 (2–48)	0.42
Number of students with IEPs per SELPA	7,887 (3,011–28,320)	3,125 (111–15,465)	1.10*
Percent of students with IEPs per SELPA	10 (9–12)	11 (6–17)	0.21
SELPA funding			
Per pupil state and federal special education apportionment (\$)	522 (506–547)	600 (494–1,230)	0.68*

Characteristic	Multidistrict SELPA type Mean (Range)		Cohen's <i>d</i> or <i>h</i>
	With at least one large district N = 24	Without a large district N = 59	
Inclusion of students receiving special education services (mean percent of students with IEPs)			
Preschool – percent received services in a regular early childhood program	50 (19–86)	63 (8–100)	0.70*
Preschool – percent received services in a separate program	36 (10–64)	25 (0–91)	0.63*
K–12 – percent of students who spend 80 percent or more of the school day in a general education setting	53 (42–68)	57 (42–78)	0.56*
K–12 – percent of students who spend less than 40 percent of the school day in a general education setting	22 (12–34)	17 (2–34)	0.88*
K–12 – percent of students educated in a separate setting	3 (1–5)	3 (0–7)	0.48
Outcomes for students receiving special education services (mean percent of students with IEPs)			
Percent proficient in ELA	17 (8–28)	17 (4–36)	-0.02
Percent proficient in math	13 (5–27)	12 (4–32)	0.19
Percent proficient on the alternate assessment	9 (5–12)	8 (0–19)	0.33
Graduation rate (percent)	74 (65–83)	73 (39–100)	0.10
Dropout rate (percent)	4 (0–12)	5 (0–23)	0.33

SELPA is Special Education Local Plan Area. IEP is individualized education program. ELA is English language arts.

* Indicates a meaningful difference. A meaningful difference is any difference between two groups greater than 0.50 standard deviation as measured by Cohen's *d* or *h*.

Source: California Department of Education via DataQuest.

District-level finding: Among small districts in multidistrict SELPAs with and multidistrict SELPAs without a large district, districts that belonged to a SELPA without a large district had higher inclusion rates for preK students but lower inclusion rates for K–12 students.

There were several differences in inclusion rates between small districts in multidistrict SELPAs with and multidistrict SELPAs without a larger district (table 4). The rate of inclusion among preK students (as measured by the percentage of students receiving services in a regular early childhood program) in small districts was greater for those in multidistrict SELPAs without a large district than for those in multidistrict SELPAs with at least one large district (68 versus 49 percent). Interestingly, the reverse was true for K–12 students in small districts; that is, the rate of inclusion among K–12 students in small districts (as measured by spending 80 percent or more of the school day in general education) was lower for those in multidistrict SELPAs without a large district than in small districts in SELPAs with a large district (68 versus 80 percent). There were no other meaningful differences between small districts in multidistrict SELPAs with or without large districts for any of the other outcomes examined.

District-level finding: The study found no meaningful differences in demographic characteristics, inclusion rates, or academic outcomes among mid-sized districts in SELPAs with or without a large district.

For mid-sized districts (total enrollment ranging from 2,000 to 19,999 students) that belonged to SELPAs with or without at least one large district (total enrollment more than 20,000 students), there were no meaningful differences in any characteristics, inclusion rates, or academic outcomes (table 4).

Table 4. District characteristics, inclusion, and academic outcomes for students receiving special education services, by district size and SELPA composition (2016/17)

District characteristic	Small districts Mean (Range)			Mid-sized districts Mean (Range)		
	In a multidistrict SELPA with at least one large district N = 76	In a multidistrict SELPA without a large district N = 371	Cohen's <i>d</i> or <i>h</i>	In a multidistrict SELPA with at least one large district N = 144	In a multidistrict SELPA without a large district N = 379	Cohen's <i>d</i> or <i>h</i>
District characteristic						
Percent metropolitan	14	0	0.39	33	18	0.52
Number of schools per district	2 (1–8)	2 (1–14)	0.15	12 (2–30)	10 (1–39)	0.26
Number of students with IEPs per district	17 (0–161)	10 (0–160)	0.23	272 (1–3,229)	164 (1–1,752)	0.35
Percent of students with IEPs per district	8 (0–35)	11 (0–92)	0.07	10 (0–16)	10 (0–19)	0.1
Inclusion of students receiving special education services (mean percent of students with IEPs)						
Preschool – percent received services in a regular early childhood program	49 (46–55)	68 (45–85)	1.40*	57 (6–100)	60 (2–100)	0.16
Preschool – percent received services in a separate program	24 (0–41)	23 (0–48)	0.05	33 (0–88)	25 (0–93)	0.35
K–12 – percent of students who spend 80 percent or more of the school day in a general education setting	80 (13–100)	68 (0–100)	0.67*	59 (29–97)	57 (6–100)	0.14
K–12 – percent of students who spend less than 40 percent of the school day in a general education setting	8 (0–27)	11 (0–41)	0.38	20 (1–53)	17 (0–48)	0.29
K–12 – percent of students educated in a separate setting	2 (0–53)	2 (0–97)	0.05	3 (0–20)	3 (0–90)	0.07
Outcomes for students receiving special education services (mean of students with IEPs)						
Percent proficient in ELA	16 (0–62)	19 (0–65)	0.19	17 (0–65)	18 (0–61)	0.07
Percent proficient in math	12 (0–59)	14 (0–75)	0.16	13 (0–64)	13 (0–55)	0.03
Percent proficient on the alternate assessment	9 (0–88)	7 (0–100)	0.12	7 (0–84)	8 (0–72)	0.12
Graduation rate (percent)	61 (0–100)	65 (0–100)	0.10	74 (8–100)	73 (8–100)	0.02
Dropout rate (percent)	5 (0–26)	7 (0–32)	0.18	3 (0–17)	5 (0–50)	0.33

SELPA is Special Education Local Plan Area. IEP is individualized education program. ELA is English language arts.

* Indicates a meaningful difference. A meaningful difference is any difference between two groups greater than 0.50 standard deviation as measured by Cohen's *d* or *h*.

Source: California Department of Education via DataQuest.

Implications

While the findings do not provide rigorous evidence of the effects of large districts withdrawing from SELPAs, the patterns of academic outcomes and per pupil funding do not point to any obvious negative consequences. The analysis did not find meaningful differences between types of SELPAs (single- or multidistrict) or compositions of SELPAs (with or without a large district) in academic outcomes for students with disabilities, such as graduation or dropout rates or proficiency rates in math or ELA or on the alternative assessment. However, the analysis by SELPA configuration does not take into consideration the variability of the services coordinated or provided by different multidistrict SELPAs.

Multidistrict SELPAs without a large district received higher levels of per pupil federal and state special education funding. Higher levels of per pupil funding, when aggregated within a SELPA, could supplement the ability of smaller districts in these SELPAs to provide services and establish programs for students with disabilities. Furthermore, because the large majority of state special education funding is apportioned to SELPAs based on historical per pupil rates, large districts leaving multidistrict SELPAs should not result in a decrease in per pupil special education funding for the remaining districts. In fact, given an adjustment for small SELPAs, the per pupil amounts may be greater in the smaller districts remaining in the multidistrict SELPA than in the large district that leaves. The state has also increased state special education funding to equalize historical per pupil amounts in recent years. These increases may minimize the effect of changing SELPA membership even further.

In order for CDE and SBE to better understand why SELPAs without a large district received higher per pupil special education funding, further research would need to consider the impact of the historical state special education funding rates and differences among SELPAs, the implications of adjustments for small SELPAs, and the proportion of local funds needed to provide special education and related services. Data were not available for this study on the amounts of local funds districts contributed to special education, but other studies estimate that approximately 60 percent of the cost of special education in California is covered by local funds or general state funds at the discretion of the district (Willis et al., 2020). Although this study examined SELPA composition, factors other than size, such as the rural nature of SELPAs that do not include a large district, might contribute to the higher per pupil funding. The state should consider collecting additional data to better understand differences in per pupil funding within and between SELPAs. This could include data on the amounts of the apportionments from multidistrict SELPAs to member districts to better understand how per pupil funding varies among districts.

Stakeholders may wish to consider how the mixed findings about inclusion rates might inform policies regarding the parameters for which districts are allowed to leave multidistrict SELPAs to form single-district SELPAs. Overall inclusion rates for preK and K–12 students with disabilities were higher in multidistrict SELPAs without a large district than in multidistrict SELPAs with a large district. However, examining outcomes at the district level revealed that small districts in SELPAs without a large district had lower K–12 inclusion rates than small districts in SELPAs with large districts. At the same time, small districts in SELPAs without a large district had higher preK inclusion rates than small districts in SELPAs with large districts. The pattern of inclusion rates for small districts might be due to larger districts having more special programs for K–12 students (compared to preK students) to which students from smaller districts can travel and for which funding could be shared through the SELPA governance and allocation plans. In any case, the differences in inclusion rates and their causes are worth further investigation using methods that can be used to make valid causal inferences if possible and to determine whether they are due to the characteristics of students in various types of districts or other factors.

Moreover, these mixed findings on inclusion patterns suggest that if large districts are allowed to leave multidistrict SELPAs that include small districts, the state should monitor inclusion rates for students receiving special education services in preK and in grades K–12. In addition, the state may wish to review IEP data related to placement decisions when it engages in monitoring activities with different sizes of districts belonging to differently configured SELPAs. IDEA requires that placement decisions be made based on student needs and not

on the availability, or lack of availability, of separate programs. Each student's IEP should include documentation of a discussion of the supports and services that would enable the student to participate in general education in the child's home school. The IEP must also include a justification for any removal from general education. In addition to reviewing IEPs, the state could provide training and issue guidance on best practice for placement decisions.

When considering whether to permit additional districts to become single-district SELPAs, the CDE and the SBE should examine whether other data could be used to evaluate the potential impact on educational opportunities for students. Additional data could include time and distance traveled to an appropriate program by students, time and distance traveled by specialists to provide specialized services in schools, and ability to recruit and retain professionals to provide services in small districts. Additional data could also include whether small districts are establishing relationships on their own with districts within or outside the SELPA to provide services and whether small districts are paying for programs they are not using due to their small size.

The current study's findings are exploratory, and the state should consider engaging in continued data collection and additional, more rigorous studies to explore potential causes for the identified meaningful differences. These causes may include factors associated with SELPAs of different sizes or compositions as well as factors not included in this study (e.g., the types and amounts of regional services offered in multidistrict SELPAs or student-level factors such as disability type). Further research could consider control variables and matching procedures to begin to isolate the associations that may be due specifically to SELPA membership. The state could also examine how small districts (or groups of small districts) implement supports for students with disabilities, both with and without the direct assistance of its SELPA, as a way to determine whether requiring SELPA membership is necessary to create regionalized services.

The CDE and the SBE may want to further study how SELPA regionalized programming is implemented in different multidistrict SELPAs and might consider requiring systematic data collection from SELPAs that would examine how SELPAs use their funds. This could include data about the specific supports that SELPAs provide versus those that individual districts provide, the extent to which SELPAs work with districts to develop transition plans for students receiving special education services, how SELPAs coordinate the supports provided by districts, and how they broker relationships between districts in the region. Further study could also include an examination of the degree to which there are economies of scale that come with being in a SELPA for districts of different sizes. The state may also wish to collect data on the percentage of funds that SELPAs keep for administration costs. The SBE may find that these kinds of data are more closely related to student outcomes, which could help inform decisions by the SBE about which of the proposals from districts to create single-district SELPAs might require extra scrutiny.

Appendix A. Definitions of measures and variables

The study examined differences for three types of outcomes at the Special Education Local Plan Area (SELPA) level: demographic characteristics, funding, least restrictive learning environments, and outcomes for students receiving special education services. The same outcomes, except funding, were examined at the district level.

The following measures were used for SELPA and district characteristics:

- District location (metropolitan versus nonmetropolitan).
- Number of districts and schools within each SELPA; number of schools within each district.
- Number and percentage of students receiving special education services (i.e., those with an active individualized education program).

The following measures were used for SELPA funding:

- Per pupil federal and state special education apportionment, calculated using the
 - amount of federal Individuals with Disabilities Education Act funding SELPAs received for students receiving special education services;
 - amount of state special education funding SELPAs received for students receiving special education services; and
 - average daily attendance rates for all students, aggregated to the SELPA level.⁵

The following measures were used to measure the proportions of students receiving special education services and who were educated in the least restrictive environments:

- Percentage of preK students receiving special education services in a regular early childhood program.
- Percentage of preK students receiving special education services outside of a regular early childhood program.
- Percentage of K–12 students receiving special education services who spend at least 80 percent of the school day in general education settings.
- Percentage of K–12 students receiving special education services who spend 40 percent or less of the school day in general education settings.
- Percentage of K–12 students receiving special education services who spend no time in general education settings because they are educated in a separate school.

The following measures were used to measure outcomes of students receiving special education services:

- High school graduation and dropout rates for students receiving special education services.
- Percentage of students receiving special education services who were proficient in English language arts and mathematics and on the alternative assessment.

⁵ The state's funding formula multiplies each SELPA's average daily attendance by its per pupil amount. This number is then adjusted based on SELPA-specific rates using a formula based on costs incurred by that same SELPA in the late 1990s, with adjustments having been made over time to account for inflation and other factors. The average daily attendance for a single-district SELPA is the same as that of its district; the average daily attendance for a multidistrict SELPA is the aggregate average daily attendance across its member districts (Willis et al., 2020).

References

- California Department of Education (CDE). (n.d.). *Special Education Local Plan Area size and scope standards as approved by the State Board of Education at the November 17–18, 1983 meeting pursuant to California education code section 56100(c)*. Retrieved December 9, 2021, from <https://www.cde.ca.gov/sp/se/lr/szscpselpa.asp>
- Chambers, J. G., Parrish, T. B., Esra, P. E., & Shkolnik, J. L. (2002). *How does spending on special education students vary across districts? An analysis of spending by urbanicity, district size, median family income, and student poverty levels in 1999–2000* (Report). Special Education Expenditure Project (SEEP).
- S. 98, Education Finance: Education Omnibus Budget Trailer, Chapter 24 (Calif. 2019–2020). Retrieved on December 9, 2021, from https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=201920200SB98
- Grice, J. W., & Barrett, P. T. (2014). A note on Cohen’s overlapping proportions of normal distributions. *Psychological Reports*, 115(3), 741–747.
- Legislative Analyst’s Office (LAO). (1985, December). *The implementation of the master plan for special education: 1980–81 through 1984–85*. Retrieved December 9, 2021, from https://lao.ca.gov/reports/1985/467_1285_the_implementation_of_the_master_plan_for_special_education_1980-81_through_1984-85.pdf
- Legislative Analyst’s Office (LAO). (2018, February). *Overview of special education funding in California*. Retrieved December 9, 2021, from https://lao.ca.gov/handouts/education/2018/Overview_Special_Education_Funding_California_022818.pdf
- Legislative Analyst’s Office (LAO). (2019, November). *Overview of special education in California*. Retrieved December 9, 2021, from <https://lao.ca.gov/reports/2019/4110/overview-spec-ed-110619.pdf>
- Schäfer, T., & Schwarz, M. A. (2019). The meaningfulness of effect sizes in psychological research: Differences between sub-disciplines and the impact of potential biases. *Frontiers in Psychology*, 10, 813. Retrieved December 9, 2021, from <https://www.frontiersin.org/article/10.3389/fpsyg.2019.00813>
- Warren, P., & Hill, L. (2018). Revisiting finance and governance issues in special education. *Getting Down to Facts II*. Policy Analysis for California Education. Retrieved December 9, 2021 from <https://files.eric.ed.gov/fulltext/ED594760.pdf>
- Willis, J., Doutre, S. M., & Jacobson, A. (2019). *Study of the Individualized Education Program (IEP) process and the adequate funding level for students with disabilities in Maryland*. San Francisco, CA: WestEd. Retrieved December 9, 2021, from <https://www.wested.org/resources/study-iep-process-and-adequate-funding-in-maryland/>
- Willis, J., Doutre, S. M., Krausen, K., Barrett, T., Ripma, T., & Caparas, R. (2020). *California special education funding system study: A descriptive analysis of special education funding in California*. San Francisco, CA: WestEd. Retrieved December 9, 2021, from <https://www.wested.org/resources/ca-special-education-funding-system/>

REL 2021–134

December 2021

This report was prepared for the Institute of Education Sciences (IES) under Contract ED-IES-17-C-0012 by Regional Educational Laboratory West, administered by WestEd. The content of the publication does not necessarily reflect the views or policies of IES or the U.S. Department of Education, nor does mention of trade names, commercial products, or organizations imply endorsement by the U.S. Government.

This REL report is in the public domain. While permission to reprint this publication is not necessary, it should be cited as follows:

Doutre, S. M., Barrett, T., & Rice, J. (2021). *California’s Special Education Local Plan Areas: Funding patterns, inclusion rates, and student outcomes* (REL 2021–134). Washington, DC: U.S. Department of Education, Institute of Education Sciences, National Center for Education Evaluation and Regional Assistance, Regional Educational Laboratory West. Retrieved from <http://ies.ed.gov/ncee/edlabs>.