

## 56060. Basis of Funding.

Any community college district shall be entitled to receive funding pursuant to Education Code Section 84850 to offset the direct excess cost, as defined in Section 56064, of providing support services or instruction, or both, to students with disabilities enrolled in state-supported educational courses or programs.

**Note:** Authority cited: Sections 67312, 70901 and 84850, Education Code. Reference: Sections 67310-12 and 84850, Education Code.

### Implementation

Section 56060 authorizes the state Chancellor's Office to calculate the allocation of funds on a college-by-college basis, yet the funds must legally be distributed to the districts. If a multi-college district wants a redistribution of the allocated funds to their individual colleges, the district must request prior written approval from the state Chancellor's Office. Request from a district must include an appropriate justification for the redistribution.

### Documentation

When a multi-college district requests a redistribution of funds, each college in the district should maintain on file the written justification for redistribution of funds prepared by the district and submitted to the state Chancellor's Office, along with the state Chancellor's Office response.

## 56062. Provision of Support Services or Instruction.

A community college district will be deemed to have "provided support services or instruction" to a student with a disability, as required by Section 56060, if the student is enrolled in a special class or is enrolled in a regular class and received four or more service contacts per year with the DSPS program.

**Note:** Authority cited: Sections 67312, 70901 and 84850, Education Code. Reference: Sections 67310-12 and 84850, Education Code.

## Implementation

Section 56062 outlines the criteria which students must meet in order to be counted as students with disabilities who are receiving services or instruction funded through the DSPS program. According to these criteria a student with a disability must be enrolled in either a special class or a regular class at the college. If the student with a disability is enrolled in a regular class, the student must receive four or more service contacts during the academic year. A service contact is defined as each time a service, as defined in Section 56026, is provided to the student.

A student who is auditing a class or who is taking community service classes is not eligible for services funded through the DSPS program. Although, the college should keep in mind that it has an obligation to provide services to students with disabilities in these and other instances in order to meet the requirements of Section 504 of the 1973 Rehabilitation Act (29 U.S.C. 794) and Assembly Bill 803 (*Government Code* Section 11135 et. seq.) and the Americans with Disabilities Act (ADA).

## Documentation

The college should maintain a file for each student reported to the state for funding through the DSPS program. The file should contain a college transcript of general as well as special classes and/or independent study in which the student is enrolled, amount and type of special services received, and verification of disability information.

### **56064. Direct Excess Costs.**

Direct excess costs are those actual fixed, variable, and one-time costs (not including indirect administrative costs, as defined in Section 56068) for providing support services or instruction, as defined in Sections 56026 and 56028, which exceed the combined total of the following:

- (a) the average cost to the district of providing comparable services (as defined in Section 56066) to nondisabled students times the number of students receiving such services from DSPS;
- (b) the revenue derived from special classes as provided in Section 56070; and
- (c) any other funds for serving students with disabilities which the district receives from federal, state, or local sources other than discretionary district funds.

**NOTE:** Authority cited: Sections 67312, 70901 and 84850, Education Code. Reference: Sections 67310-12 and 84850, Education Code.

## Implementation

Section 56064 defines direct excess costs as the expenditures, excluding indirect administrative costs, that the college incurs while serving students with disabilities which exceeds expenditures paid by revenue derived from:

- (1) comparable services (Section 56066);
- (2) special classes (Section 56070); and
- (3) other federal, state or local funds received by the college which are directly related to students with disabilities. These are funds that are distributed by the district without discretion, i.e., WorkAbility III or specific grants. Funds not included in this category are those which the district does distribute with discretion, i.e., VATEA.

Direct excess costs are expenditures that can be paid with DSPPS categorical funds or money from the college general fund (college effort).

## Documentation

Colleges should maintain income and expenditures by accounting codes. This information should be in such a format that colleges can complete the DSPPS End-of-Year report as developed by the Chancellor's Office. The information in the report includes total costs of the DSPPS program (not including indirect administrative costs as defined in Section 56068) and other income.

### **56066. Comparable Services.**

- (a) As used in Section 56064, "comparable services" are those services which are comparable to services available from a college to its nondisabled students. These services include, but are not limited to:
  - (1) job placement and development as described in Section 56026(a)(2);
  - (2) registration assistance as described in Section 56026(a)(4);
  - (3) special parking as described in Section 56026(a)(5);

- (4) assessment as described in Section 56026(b)(2);
  - (5) counseling as described in Section 56026(b)(3);
  - (6) tutoring as described in Section 56026(b)(11); and
  - (7) outreach as described in Section 56026(b)(12).
- (b) Districts which claim reimbursement for direct excess costs for comparable services as defined in subdivision (a) must, for each college in the district:
- (1) certify that the service in question is not offered to nondisabled students; or
  - (2) collect and report to the Chancellor, on forms prescribed by the Chancellor, data showing the number of new and the number of continuing students with disabilities enrolled in credit courses who received one or more such services, in whole or in part, from DSPS.
- (c) The Chancellor shall adjust the allocation of each district by the number, if any, of students reported pursuant to subdivision (b)(2), times the applicable credit student services funding rates for new and continuing students calculated pursuant to Article 4 (commencing with Section 58730) of Subchapter 4 of Chapter 9 of this division.

**NOTE:** Authority cited: Sections 67312, 70901 and 84850, Education Code. Reference: Sections 67310-12 and 84850, Education Code.

## Implementation

The Chancellor's Office will provide information on implementation of Section 56066 at a later date.

### 56068. Indirect Administrative Costs.

As used in Section 56064, the term "indirect administrative costs" means any administrative overhead or operational cost, including but not limited to, the following:

- (a) college administrative support costs, such as staff of the college business office, bookstore, reproduction center, etc.;
- (b) administrative salaries and benefits, with the exception of the DSPS Coordinator;
- (c) indirect costs, such as heat, light, power, telephone, FAX, gasoline, and janitorial;
- (d) costs of construction, except for removal or modification of minor architectural barriers;
- (e) staff travel costs for other than DSPS-related activities or functions;
- (f) costs for on- and off-campus space and plant maintenance;
- (g) the cost of office furniture (e.g., desks, bookcases, filing cabinets, etc.);
- (h) costs of dues or memberships for DSPS staff;

- (i) rent of off-campus space;
- (j) costs for legal matters, election campaigns, or audit expenses;
- (k) building costs, even if the new building were for exclusive use of DSPTS;
- (l) books or other resource material purchases for the general or main library; or
- (m) equipment which is not, in whole or part, adapted for use by students with disabilities.

**Note:** Authority cited: Sections 67312, 70901 and 84850, Education Code. Reference: Sections 67310-12 and 84850, Education Code.

## Implementation

Section 56068 describes expenditures that cannot be considered direct excess costs. These administrative expenditures (with the exception of the DSPTS coordinator's salary) are the responsibility of the district and should not be considered, in any part, as a DSPTS program expenditure for reporting purposes.

## Documentation

Indirect administrative costs, with the exception of the DSPTS coordinator's salary, should not be included in any of the accounting codes maintained for DSPTS expenditures. These indirect administrative expenditures should not appear in the DSPTS End-of-Year report.

## 56070. Revenue from Special Classes.

- (a) For purposes of Section 56064(b), the revenue derived from special classes, for fiscal year 1995-96 and all subsequent years, shall be calculated by adding together the following:
  - (1) the FTES instructional noncredit rate times the number of units of FTES in noncredit special classes; and
  - (2) the FTES instructional credit rate, not including indirect administrative costs, times the number of units of FTES in credit special classes for each college in the district.
- (b) In implementing this section, the Chancellor shall insure that increases or decreases in the amount of special class revenue attributed to a district solely as a result of the adoption of the "disaggregate" method of calculation described in subdivision (a) shall be spread evenly over a

- three (3) year phase-in period ending with full implementation for fiscal year 1995-96.
- (c) Revenue from special classes shall be used for the provision of support services or instruction pursuant to Section 56026 and 56028 and shall not be used for indirect administrative costs as defined in Section 56068.

**Note:** Authority cited: Sections 67312, 70901 and 84850, Education Code. Reference: Sections 67310-12 and 84850, Education Code.

## Implementation

Section 56070 describes the revenue calculations for special classes. This method uses program based funding as a model. In program based funding each college has a dollar amount for instructional cost of credit FTES depending on the size of the college and there is a statewide FTES rate for noncredit. These rates include only the instructional cost of the class.

The instruction cost rate for credit and noncredit classes will be calculated by the Chancellor's Office using information generated by program based funding during the first principal apportionment. This revenue may be spent in support of the special class and to provide support services.

Special class FTES is generated the same way as regular class FTES. For purposes of reporting, a class is a special class if it meets the criteria outlined in Section 56028 and serves students with disabilities as defined in Sections 56032-56044. The combined special class and regular class FTES is the measure by which the state provides general apportionment funds to the college as a whole.

The college is responsible for ensuring that the amount of funds the DSPS program receives accurately reflects the amount of FTES generated within the program.

## Documentation

The district's overall FTES report should be filed with the state Chancellor's Office Fiscal Services Unit and must be maintained at the district business office. Special classes must also be identified as a special class and all sections of these classes have to be identified as a special section in the district's MIS system.

## 56072. Allocations; Reports; Audits; Adjustments.

- (a) The Chancellor shall adopt an allocation formula which is consistent with the requirements of this subchapter. The Chancellor shall use this formula to make advance allocations of funding provided pursuant to Section 56060 to each community college district consistent with the district's approved DSPS program plan and the requirements of this article.
- (b) A portion, not to exceed 10 percent, of the allocation may be based on the amount of federal, state, local, or district discretionary funds which the district has devoted to serving students with disabilities. Provided, however, that in no event shall any district be entitled to receive funding which exceeds the direct excess cost, as defined in Section 56064, of providing support services or instruction to students with disabilities.
- (c) Each district shall submit such enrollment and budget reports as the Chancellor may require.
- (d) The Chancellor shall provide for audits of DSPS programs to determine the accuracy of the reports required pursuant to subdivision (c).
- (e) The Chancellor may, based on audit findings or enrollment/budget reports, adjust the allocation of any district to compensate for over- or under- allocated amounts in the current fiscal year or any of the three immediately preceding fiscal years.

**NOTE:** Authority cited: Sections 67312, 70901 and 84850, Education Code. Reference: Sections 67310-12 and 84850, Education Code.

### Implementation

Section 56072 provides:

- (1) the state Chancellor's Office the ability to adopt an allocation formula and to insure advance allocations.
- (2) defines "overspending" the DSPS allocation as "college effort." College effort is used to generate 10 percent of the DSPS allocation. This subsection also defines "unspent" DSPS allocation as funds the state Chancellor's Office can recapture through the apportionment process.
- (3) gives the state Chancellor's Office permission to request reports and data from the colleges.
- (4) gives the state Chancellor's Office the ability to conduct fiscal audits of the DSPS program at the colleges.
- (5) gives the state Chancellor's Office the ability to adjust allocated amounts during the fiscal year and up to three preceding fiscal years.

## Documentation

The district should maintain a clear audit trail, enrollment and budget reports

### **56074. Accounting for Funds.**

Each community college district shall establish a unique budget identifier code to separately account for all funds provided pursuant to this subchapter. The district shall certify through fiscal and accounting reports prescribed by the Chancellor that all funds were expended in accordance with the requirements of this subchapter.

**Note:** Authority cited: Sections 67312, 70901 and 84850, Education Code. Reference: Sections 67310-12 and 84850, Education Code.

## Implementation

Section 56074 indicates that each district shall maintain separate accounting codes for DSPS expenditures and income. These accounting codes are used in completing the DSPS End-of-Year Report. All expenditures using the separate DSPS accounting codes must represent the total cost of the DSPS program **excluding the indirect administrative costs**, defined in Section 56068.

## Documentation

The district must keep on file the accounting codes used for the DSPS program.

### **56076. Other Resources.**

As a condition of receiving funds pursuant to this subchapter, each community college district shall certify that reasonable efforts have been made to utilize all funds from federal, state, or local sources which are available for serving students with disabilities.

**Note:** Authority cited: Sections 67312, 70901 and 84850, Education Code. Reference: Sections 67310-12 and 84850, Education Code.

## **Implementation**

Section 56076 indicates that the college make reasonable efforts to utilize all funds available for serving students with disabilities. The college will record, on the DSPS End-of-Year Report, all sources of other income to the DSPS program.

## **Documentation**

The college should keep on file the sources and amounts of other income the program receives.