

June 3, 2008

Dear Charter Leaders:

The purpose of this letter is to explain the Special Education Encroachment Process and Payment Schedule for the 2008-2009 school year. Encroachment for Special Education for 2008-2009 is calculated by taking the District's entire annual SELPA actual costs for 2007-2008 and dividing it by the 2007-2008 District and Charter (only those in OUSD SELPA) schools' P2 ADA. The resulting rate is then used for 2008-2009, as an estimated rate, and is adjusted at the beginning of the 2009-2010 school year to reflect actual 2008-2009 SELPA costs. This has been the calculation process for several years. Below is an example from the current school year:

**OUSD 2007-2008 Special Education Encroachment Calculation**

\$15,192,872.56	OUSD SELPA's Actual Cost for 2006-2007
<hr style="width: 20%; margin-left: 0;"/>	Divided By
37,424.46 + 5,389.25	2006-2007 P2 ADA – District + Charter
=\$354.86	Actual 2006-2007 Rate Per Pupil

Therefore, each charter school's adjusted billing for 2006-2007 was \$354.86 x 2006-2007 P2 ADA. Each charter school's **estimated** billing for 2007-2008 is \$354.86 x 2007-2008 P2 ADA, with P1 ADA used until P2 ADA is available.

Special Education Encroachment for 2008-2009 will be billed three times throughout the year. For the first two payments, P1 ADA will be used to calculate the amount due. At the time of the June 30 billing, P2 ADA will be known and the amount will be adjusted. Any amount owed to a charter school or due from a charter school will be reflected in the first billing of the 2009-2010 school year once the 2008-09 rate has been recalculated and finalized.

**Billing-**

Due Date	Amount Due	Calculation
January 15, 2009	1/3 due	2007-2008 rate x P1 ADA
April 1, 2009	1/3 due	2007-2008 rate x P1 ADA
June 30, 2009	1/3 due	2007-2008 rate x P2 ADA

While it is impossible to predict the potential increase or decrease in the encroachment rate, we believe a reasonable estimate for 2008-2009 charter school budgeting purposes to be \$365 as the per pupil rate.

This letter is to assist both your schools and our offices in reconciling Special Education Encroachment going forward. Please don't hesitate to contact us if you have any questions.

Sincerely,



Minh Co  
Financial Accountant



Paige Abramson Hirsch  
Program Analyst, Office of Charter Schools