
SENATE COMMITTEE ON APPROPRIATIONS

Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

AB 2526 (Muratsuchi) - Special education local plan areas: apportionments: alternate assessments

Version: April 21, 2026

Urgency: No

Hearing Date: August 3, 2026

Policy Vote: ED. 7 - 0

Mandate: No

Consultant: Lenin Del Castillo

Bill Summary: This bill expands eligibility for the state's low-incidence disability special education funding program by allowing funding to be generated by pupils who are eligible to take California's alternate assessments due to significant cognitive disabilities.

Fiscal Impact: The bill's provisions are contingent upon an increase in the appropriation provided for this purpose and could lead to Proposition 98 General Fund cost pressures in the millions to tens of millions of dollars each year. The 2025 Budget Act included \$136.8 million for the low-incidence disabilities program.

Background: Existing law defines "low-incidence disability" as a severe disabling condition with an expected incidence rate of less than 1 percent of total statewide enrollment, including hearing impairments, vision impairments, severe orthopedic impairments, and combinations thereof.

Existing law requires the state to provide specialized services and equipment for pupils with low-incidence disabilities. It establishes a low-incidence disability funding program to support special education and related services required by the individualized education programs (IEPs) of pupils with low-incidence disabilities.

Existing law requires the annual per-pupil low-incidence entitlement to be calculated by dividing the annual appropriation by the statewide count of pupils with low-incidence disabilities reported through the California Longitudinal Pupil Achievement Data System (CALPADS) in the prior year.

Existing law requires the resulting per-pupil amount to be multiplied by the number of pupils with low-incidence disabilities in each Special Education Local Plan Area (SELPA) to determine each SELPA's allocation.

Existing law requires California to administer alternate statewide assessments to pupils with the most significant cognitive disabilities when determined appropriate by the pupil's IEP team.

Proposed Law: This bill establishes an alternative funding calculation that becomes operative only upon an appropriation that increases funding above the amount that would otherwise be provided under current law. It requires the revised calculation to include pupils with low-incidence disabilities and pupils eligible to take the alternate assessments pursuant to Education Code Section 60640.

This bill requires the statewide per-pupil entitlement, upon appropriation, to be calculated using the combined statewide count of pupils with low-incidence disabilities; and pupils eligible to take alternate assessments.

This bill requires each SELPA's allocation, upon appropriation, to be based on the sum of its pupils with low-incidence disabilities and pupils eligible to take alternate assessments.

This bill requires the SPI, upon appropriation, to apportion funds for purposes of providing special education and related services required by the IEPs of both groups of pupils.

Staff Comments: Funding for the state's low-incidence disability program is currently generated only by pupils who are blind, deaf or hard of hearing, deaf-blind, or who have severe orthopedic impairments. These disability categories occur infrequently and often require specialized equipment, services, and instructional supports that may not be adequately reflected in broader special education funding formulas. This bill would expand the program beyond these disability categories by allowing funding to also be generated by pupils eligible to take California's alternate assessments. Eligibility for alternate assessments is based on whether the student has the most significant cognitive disabilities as determined by the IEP team. According to the author, "Over ten years ago, California led the nation by adopting the Local Control Funding Formula (LCFF) to ensure students with the greatest needs received the most resources. While we've made great strides, we have left a massive hole in that formula: our students with disabilities. Right now, school districts across California are facing a silent crisis. Special education costs are rising faster than state funding, our local schools are forced to dip into their general funds pulling billions of dollars away from art, music, and smaller class sizes just to meet legal mandates."

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