EL DORADO CHARTER SELPA
Special Education Local Plan Area

Special Education Business 101

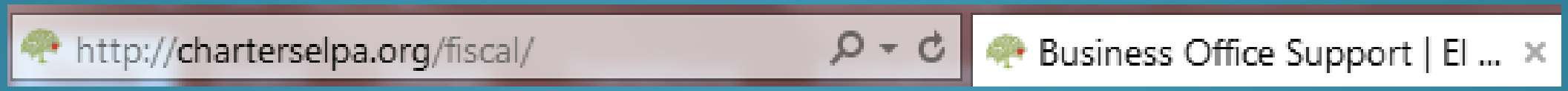
Introductions

Robert (Bob) Steponovich

Business Services Director
Charter SELPA

Ginese Quann

Director
Charter SELPA



Business Meetings and Professional Learning Opportunities

The Business Services Team offers both in-person and online meetings and workshops that provide technical information on special education funding and content to help build effective program-business teams.

SpEd Business 101 | Buzz Sessions | Year End Workshop | Fiscal Committee

The business side of special education in California is unique. The Charter SELPA conducts in-person, half-day workshops in late summer designed to prepare special education program/business teams for the new school year. For travel and calendar convenience, four SpEd Business 101 workshops are held around the state. The agenda consists of:

- SpEd 101 August 1, 2018 Bay Area
- SpEd 101 August 7, 2018 LA Area
- SpEd 101 August 8, 2018 San Diego

ARCHIVED FISCAL TRAININGS

- ⊕ Archived Fiscal Committee Meetings
- ⊕ Archived Fiscal Workshops
- ⊖ SpEd Business 101
  - 2018 SpEd Business 101 Presentation

TODAY'S PRESENTATION
Charter SELPA website.
Business Office Support page.
Scroll down to this section.

Today's Topics

- SpEd Funding Big Picture
- Charter SELPA Allocation Plan
- State SpEd Funding
- Federal SpEd Funding
- Mental Health Funding
- SpEd Expenditure Considerations
- Federal Funding Compliance
- Significant Disproportionality

- Bonus Content
  - Website Navigation
  - Fiscal Portal Navigation

Special Education Funding
El Dorado Charter Allocation Plan

AB602 funding in California consists of federal and state SpEd dollars.

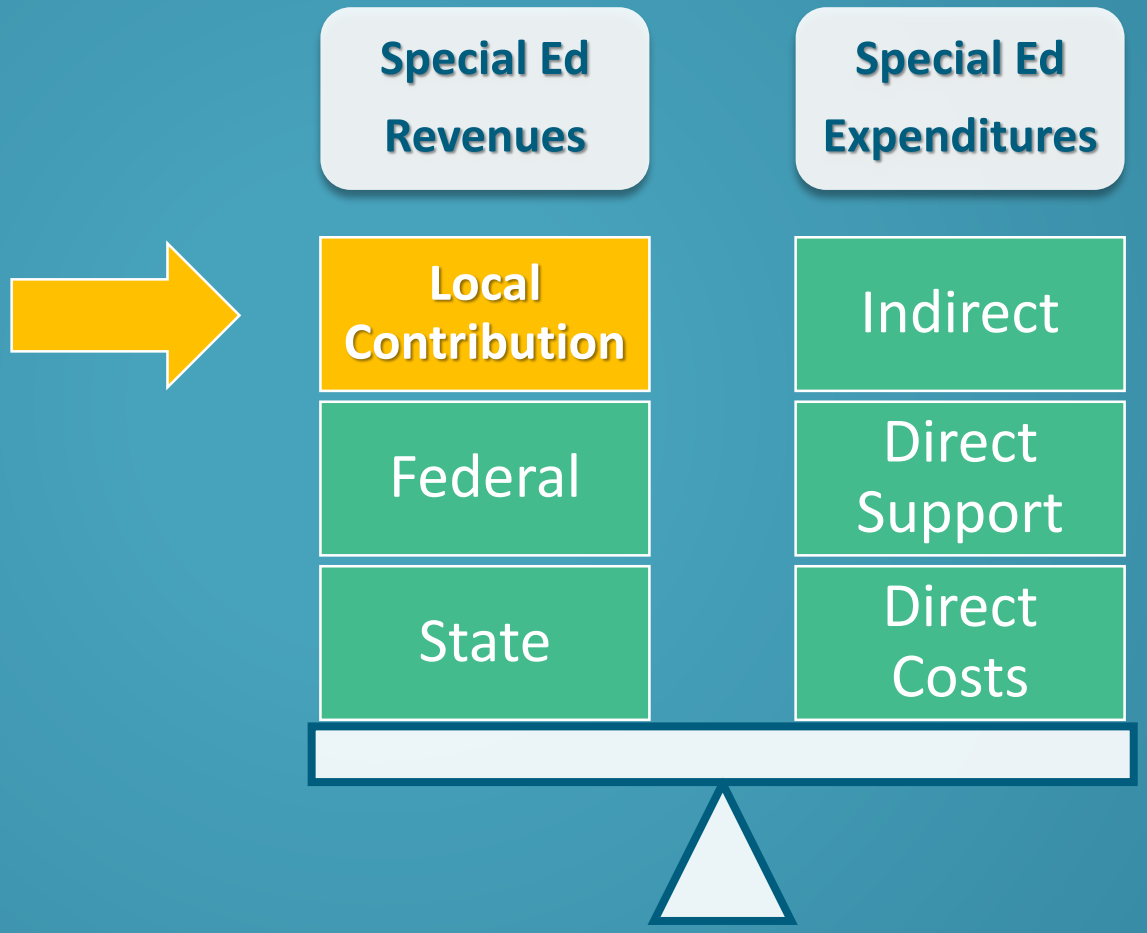
Each SELPA's governance committee is composed of the LEA members of the SELPA. The governance committee adopts an Allocation Plan to manage AB602 dollars.

The Allocation Plan defines the methodology for passing through SpEd revenue to each LEA.

The Allocation Plan dictates funds that are pooled to share risk among SELPA members.

Local Contribution

The Local contribution "balances" the costs of your program by transferring funds from your LCFF revenue



Statewide – 60+% local contribution to SpEd expenses

Unspent Funds

often due to…

Building capacity

Variance in student populations

Annual Review of SpEd Expenditures

>25% unspent state funds = following year: may not be eligible for federal funds, reimbursement funding

<25% unspent state funds = next year budget justification for federal funds determination

Income Reallocation

- Organization Partners may “reallocate” income to other SELPA member charters in the network.
- Federal Maintenance of Effort (MOE) compliance
- Manage Unspent Funds
- Manage local contributions among network schools
- Organization must have authority to reallocate.
- Requires board action – sample resolution on the Charter SELPA website.

http://charterselpa.org/wp-content/uploads/2017/04/11.1-SampleResolution-Updated_10-5-2015.pdf

New Member Cash Advances

Charters new to the Charter SELPA will not receive a cash disbursement until February, since the state's Advance Apportionment payments (July to January) are based on prior year P-2 ADA while a partner in the Charter SELPA.

The cash advance program

- 25% cash advance - 3% interest rate.
- Participation: notify us of your interest and provide a report of opening enrollment.

https://charterselpa.org/wp-content/uploads/2017/05/Cash-Advance-Flyer-2019-20.pdf

Administrative Fee

- One Charter in the Charter SELPA
- Administrative fee based on date of Charter entry into the Charter SELPA
- One vote

- More than one Charter School in the Charter SELPA
- Administrative fee based on date of CMO/Non-profit entry into the Charter SELPA.
- One vote per charter

YEAR 1 5.5%	YEAR 2 4.5%
YEAR 3-4 3.5%	YEAR 5 3.0%

Federal Rate
El Dorado Charter SELPA

2019-20
FEDERAL
RATE
$125

- October 2018 CBEDS count
- Less Admin Fee (5.5%, 4.5%, 3.5%, 3.0%)
- Eligible partners
- Recent delays from CDE

http://charterselpa.org/wp-content/uploads/2018/07/Federal-IDEA-Allowable-Use-of-Funds.pdf

State Rate
El Dorado Charter SELPA

2019-20
STATE RATE
$543

- Estimate assumes a 3% deficit for 19-20
- 2019-20 P-2 ADA
- Less Admin fee (5.5%, 4.5%, 3.5%, 3.0%)
- Less Set-Aside Contribution (1st year only)

Special Education Deficit

Yes, the formula said you should get $100. But there is only $98 appropriated in the budget. Tell ya what. We'll hit you back if we find some available cash down the road. K?

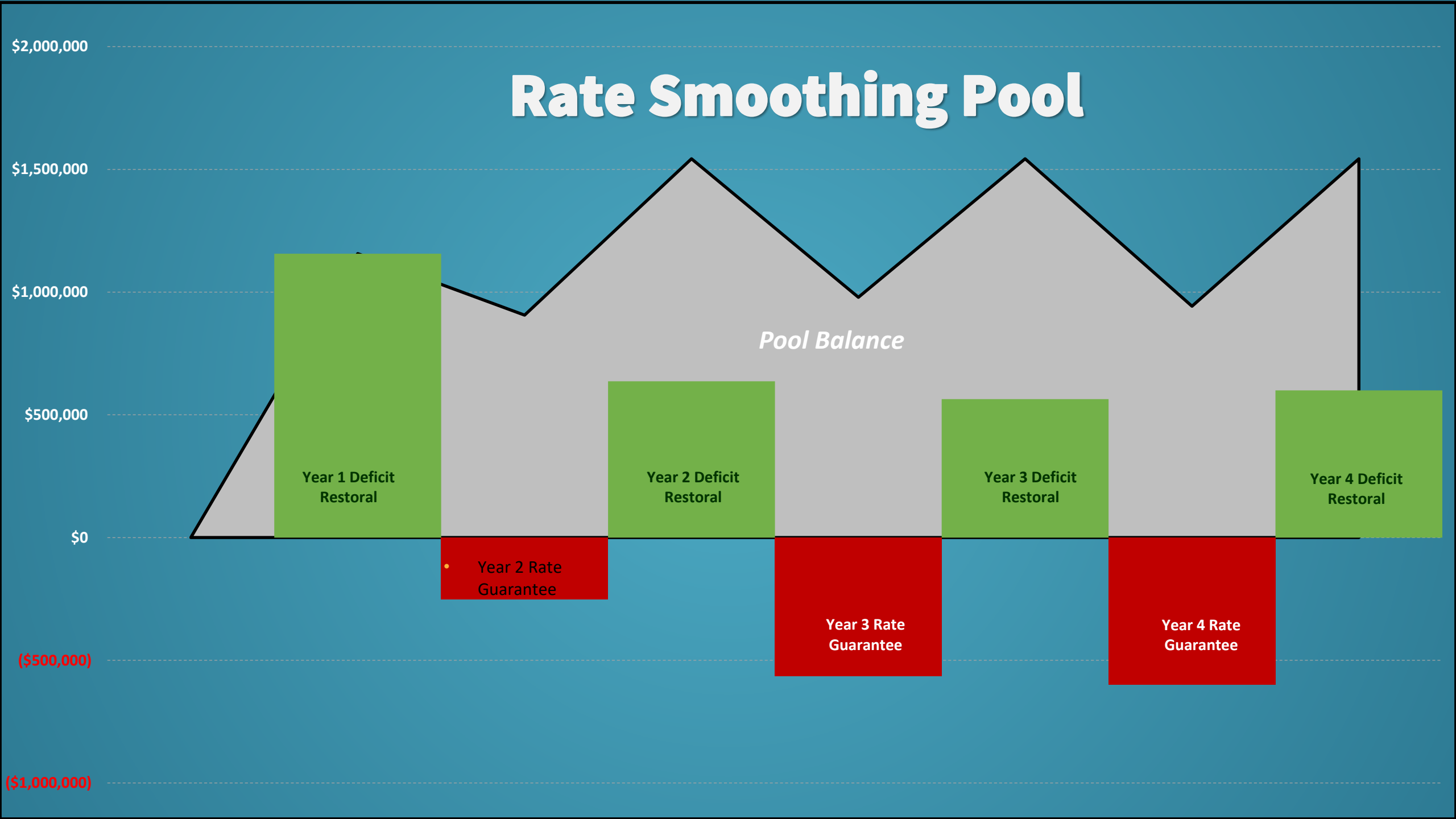
Deficits

https://lao.ca.gov/Publications/Report/3598

State Rate
Impact of COLA & Deficit

2019-20 Projected Rate			
1	2018-19 Statewide Target Rate		$ 539.68
2	2019-20 COLA	3.26%	
3	Statewide Target Rate + COLA		$ 557.27
4	2019-20 Estimated Deficit (P-2)	-3.13%	
5	Statewide Target Rate + COLA - Deficit		$ 539.83

Rate Smoothing Pool



Set-Aside Risk Pool

Legal Risk Pool

- Attorney costs associated with due process filing
- 60% of eligible legal expenses
- Up to $18,000 for eligible legal costs
- File claims immediately!

http://charterselpa.org/wp-content/uploads/2017/05/17-18_Legal_Risk_Guidelines.pdf

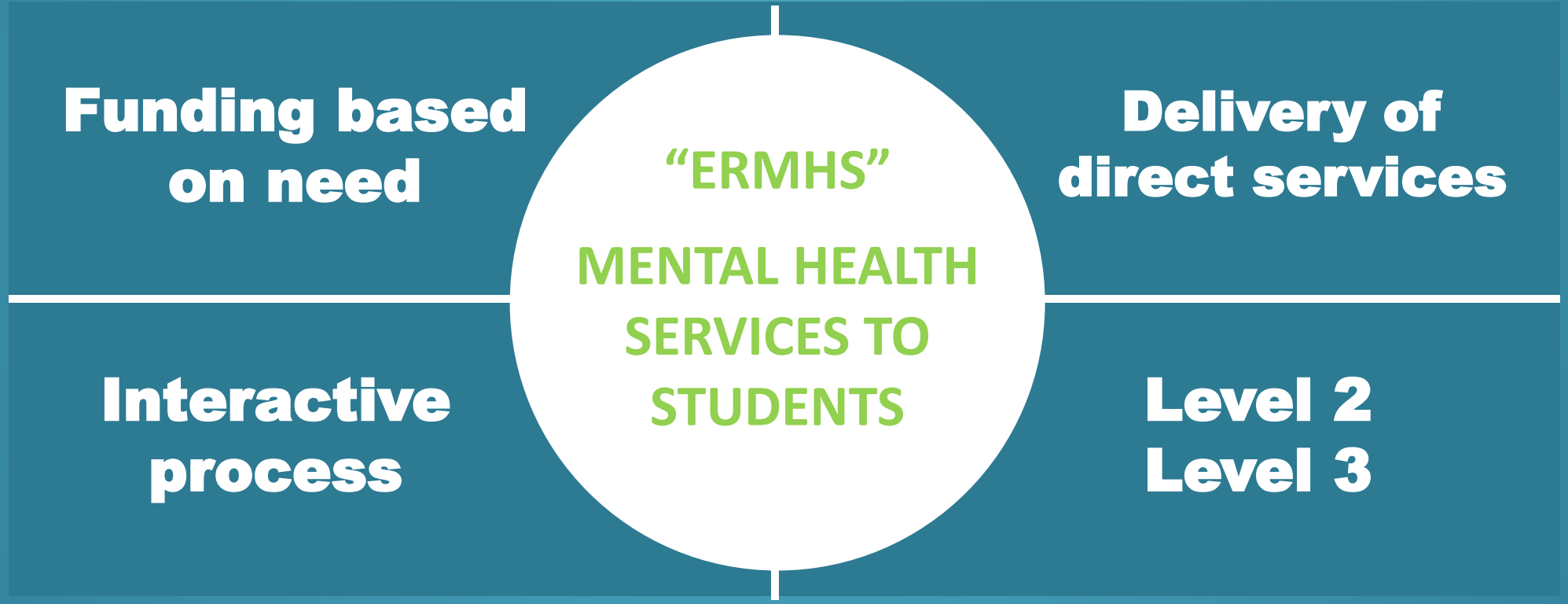
Low Incidence Pool

- Vision, Hearing or Orthopedic Impairment
- Reimbursement basis (per student) Minimum claim $600
- Minimum reimbursement level is State per pupil revenue = $437
- Maximum = End of year determination
  - 2017-18 = $2,300
  - 2018-19 = $2,235
- File claims immediately!

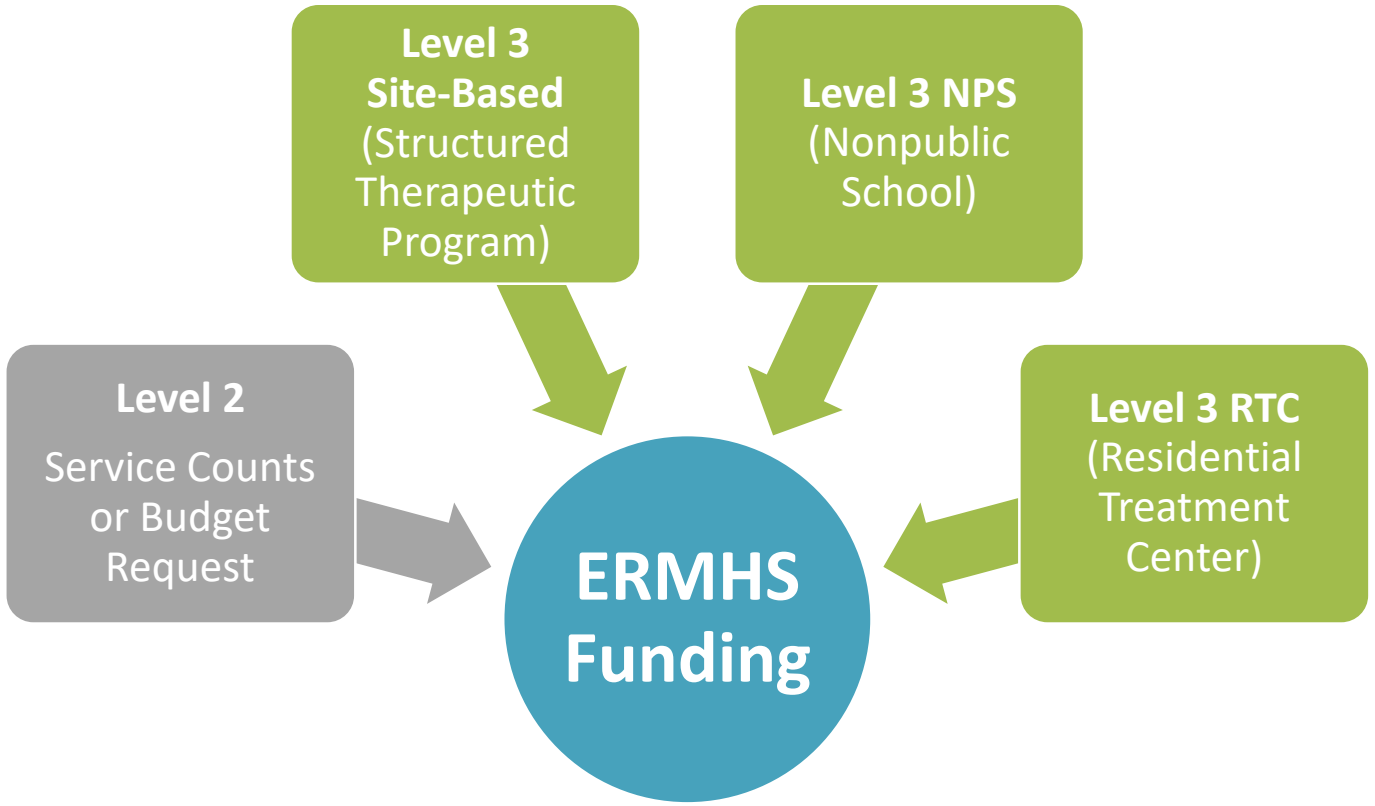
http://charterselpa.org/wp-content/uploads/2017/05/17-18_Low_Incidence_Guidelines.pdf

Educationally Related Mental Health Services (ERMHS)

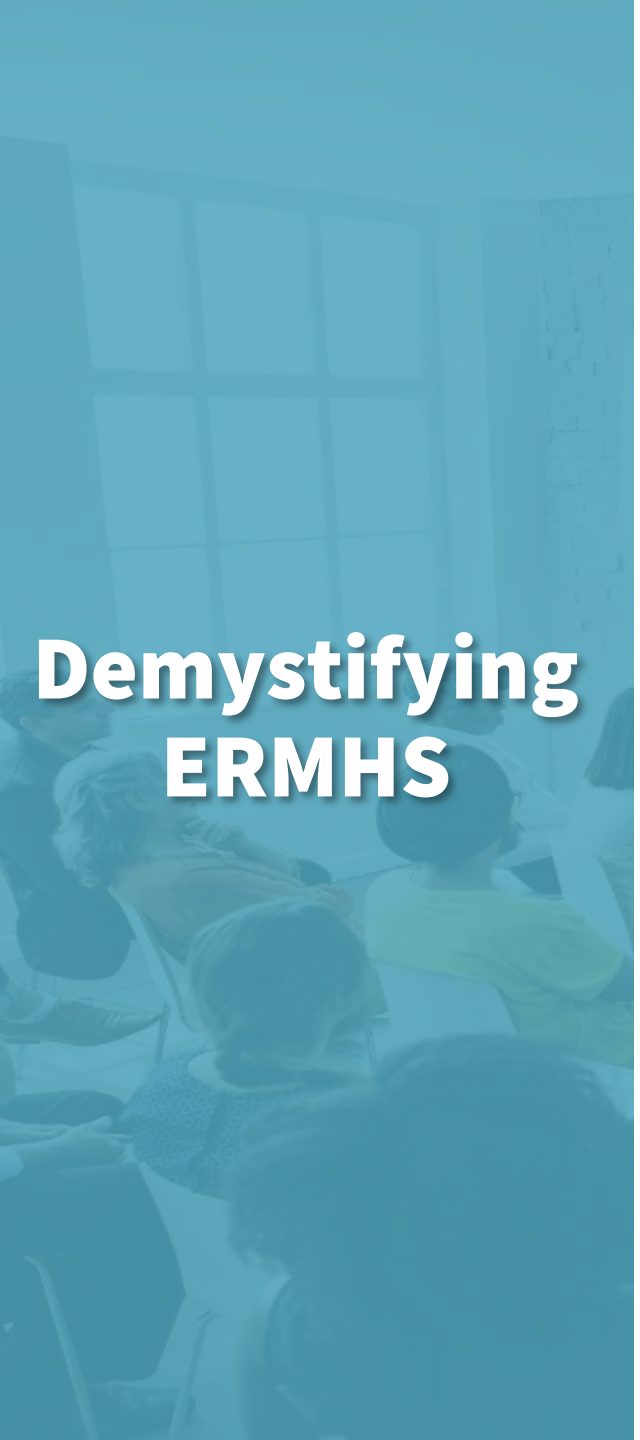
Allocation Plan - ERMHS



ERMHS Expenditures



https://charterselpa.org/wp-content/uploads/2017/09/2018-19_Mental_Health_Guidelines-2.pdf



Demystifying ERMHS

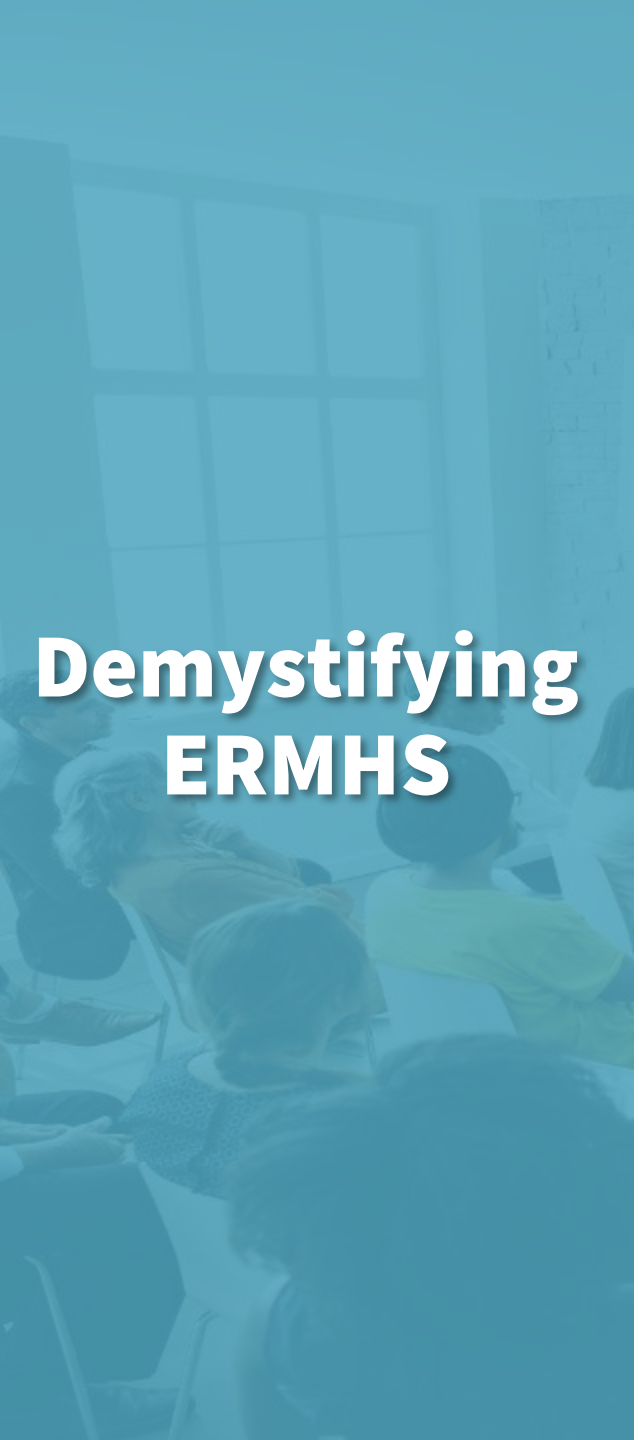
The IDEA requires that the statement of related services must be based upon peer-reviewed research to the extent practicable, to be provided to the child, or on behalf of the child, and a statement of the program modifications or supports for school personnel that will be provided to enable the child:

1. To advance appropriately toward attaining the annual goals.

2. To be involved in and make progress in the general education curriculum in accordance with **34 CFR 300.320** (a)(1), and to participate in extracurricular and other nonacademic activities.

3. To be educated and participate with other children with disabilities and nondisabled children in the activities described in this section.

https://charterselpa.org/wp-content/uploads/2018/01/Charter-ERMHS-Guidelines.pdf



Demystifying ERMHS

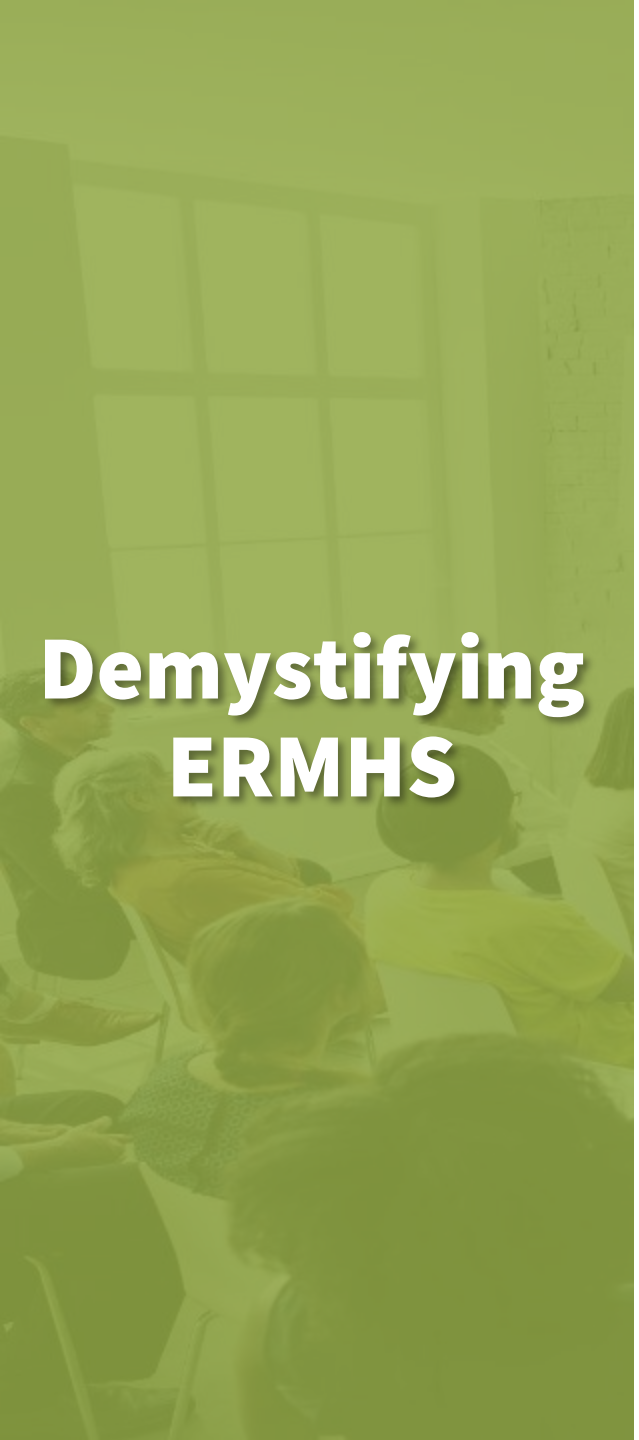
IDEA Federal Law

- Related Services
- Psychological Services
- Social Work Services
- Counseling Services

California Law

- Related Services
- Psychological Services
- Social Work Services
- Counseling & Guidance Services
- Individual Counseling
- Parent Counseling & Training

Demystifying ERMHS



	CASEMIS Code	Educational Psychologist	School Psychologist (PPS)	Licensed Psychologist	Marriage & Family Therapist (MFT)	Licensed Clinical Social Worker (LCSW)	School Counselor (PPS)	Licensed Professional Clinical Counselor	Special Education Instruction Credential	Health & Nursing Services Credential
Psychological Services	530	X	X	X	X	X				
Social Work Services	525				X	X				
Counseling & Guidance	515	X	X	X	X	X	X	X		
Individual Counseling	510	X	X	X	X	X	X	X		
Parent Counseling & Training	520	X	X	X	X	X	X	X	X	X

ERMHS Providers

- LEAs may opt to contract service providers with public agencies (other LEAs, county mental health agencies) or non-public agencies (NPAs).

- If an LEA opts to contract a service provider via a public agency they will complete a Memorandum of Understanding (MOU) between their LEA and the public agency.

- If an LEA opts to contract a service provider via an NPA or NPS they must:
  - Refer to the CDE's approved list of NPA/NPS service providers to select a CDE-certified NPA/NPS.
  - Complete a Master Contract between the LEA and the NPA/NPS.
  - Complete an Individual Service Agreement (ISA) for each student that the NPA/NPS serves.

ERMHS Providers

- LEAs may directly employ mental health professionals to provide related services.
  - Typically credentialed through Office of Consumer Affairs (not CTC).
  - May be supervised by the holder of an Administrative Credential.

- LEAs may contract with community-based mental health professionals to provide related services.
  - Self-employed, employed by a private agency, or employed by a public agency (such as county mental health).
  - In many cases, community-based mental health professional should be supervised in their school-based activities by an individual possessing Pupil Personnel Services (PPS) Credential.

http://www.cde.ca.gov/sp/se/ac/reqsecuresrvcs.asp

ERMHS
Location of Services

- To allow students to access education and practice ERMHS goals in the educational setting.
- It is suggested that the ERMHS services be provided at school during the course of the school day.
- Should an IEP Team determine ERMHS services would be provided outside of the school day they must consider:
    - Transportation
    - What to do when a service is missed
    - Have a clear reason documented in the IEP as to why a student would need a service to work on an educational goal outside of the educational setting

ERMHS Funding (2018-19)

	Level 2	Level 3 Site-Based	Level 3 NPS - ERMHS	Level 3 NPS-Residential
Description	ERMHS delivered to	Structured Therapeutic ERMHS Program	ERMHS delivered to NPS Students	Room and Board Needed for ERMHS
Special Education Eligibility	Any Eligibility	ED	ED	ED
Allocation Formula	~~80%~~ 100% of the lesser of: 1) ~~$3,000~~ $3,300 per service or 2) Budget Request	~~80%~~ 100% of ERMHS Allowed Costs	~~90%~~ 100% of ERMHS Allowed Costs	100% of Room & Board Costs

Initial budget parameters established October 2019 for 2019-20.

ERMHS Funding Timeline

September

- Level 3 Budget for Continuing Placements Due Oct. 1
- Initial Level 2 per service rate set
- Preliminary Level 2 SEIS Service Count #1

October

- Level 2 Annual Mental Health Plan Due Nov. 1
- Level 3 Site-Based Annual Mental Health Plan & Budget Due Nov. 1
- Preliminary Level 2 SEIS Service Count #2

November

- Preliminary Level 2 SEIS Service Count #3

December

- Final Level 2 SEIS Service Count*

January

- Level 2 Budget Due Jan. 15*

By May

- Finding of Sufficiency determines final rates and funding percentages

**** New Level 3 NPS & Residential Requests (budget, Master Contract & ISA) due within 30 days of placement. ****

*Component of Level 2 Eligibility Formula

SpEd Expenditure Considerations

https://www.cde.ca.gov/fg/ac/sa/documents/csam2019complete.pdf

Direct Costs

Direct Instruction & Administration of Special Ed

- SpEd Administrators, Teachers, Admin Support, Aides (Salaries + Benefits), Contracted Services
- Books, Supplies
- Capital Outlay

Support

Peripheral but Related to SpEd Instruction

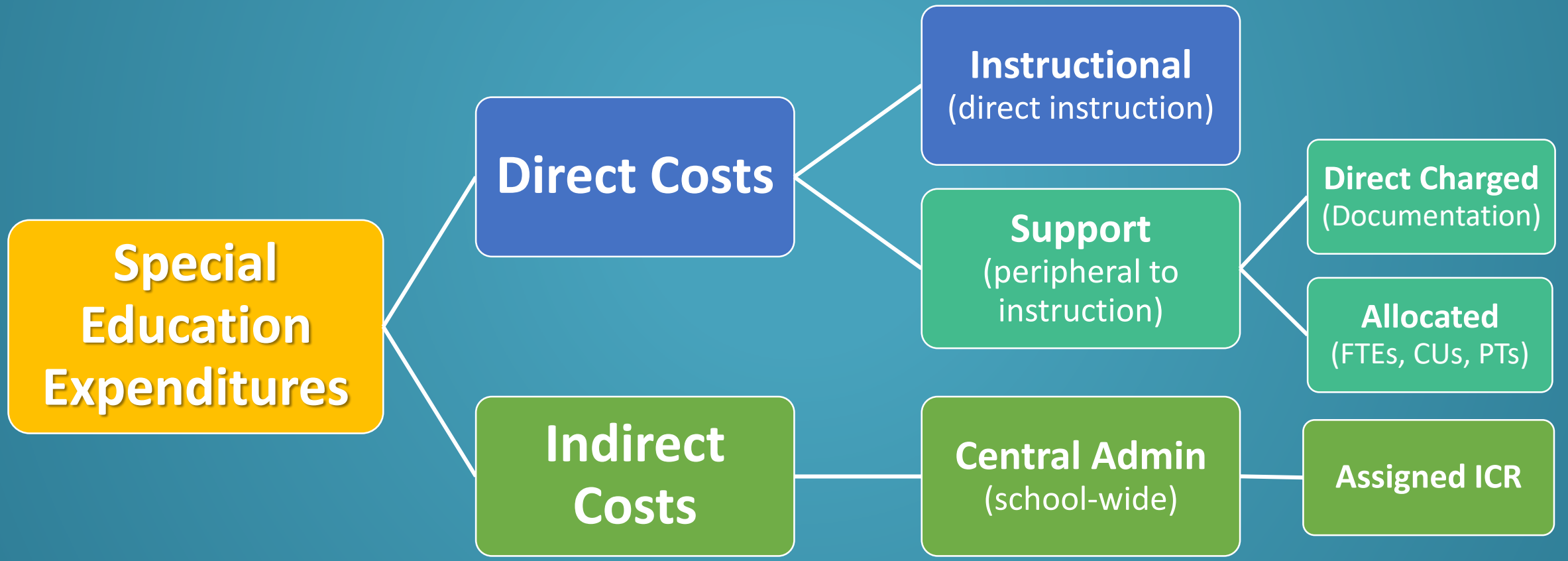
- Principal, Librarian, School Secretary, Nurse, Maintenance, Transportation
- CSAM Guidelines: FTE, Classroom Units, Students Transported
- Reasonable

Indirect Costs

Schoolwide General Management

- Accounting, Payroll, HR, IT
- Assigned Rate - Set by CDE
- Ranges <2% to >10%
- Statewide Avg. = 5.25%

Program Cost Accounting
(CSAM Procedure 910)

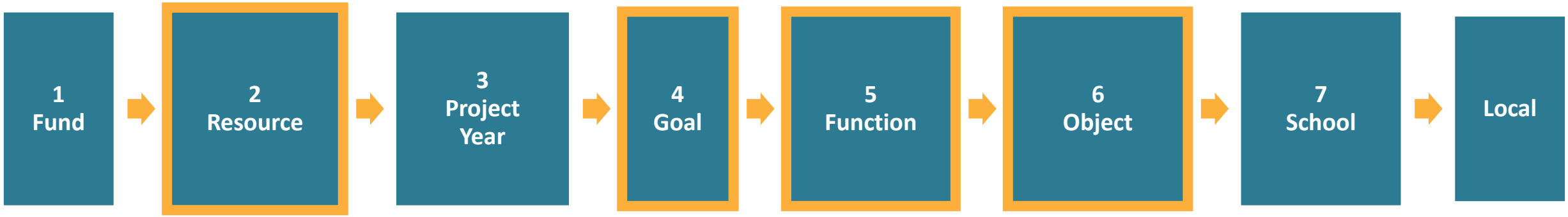


Standardized Account Code Structure (SACS)

Per EC 41010, approved by the SBE and published in the CSAM

- A uniform, comprehensive, and minimum chart of accounts to improve statewide financial data collection, reporting, transmission, accuracy, and comparability.
- Meet federal compliance guidelines and increase the opportunities for California to receive federal funding for education programs.
- Ensure that school districts and COEs comply with GAAP as prescribed by GASB.
- Create a logical framework that can be used to determine where education funds come from and how they are used.
- **Provide actionable data for use by administrators, parents, board members, students, legislators, and others interested in analyzing education through a fiscal lens.**

Standardized Account Code Structure (SACS)



Charter schools are **not required to** use SACS or the SACS reporting software. There is an optional Charter Alternative Form for reporting (Object only). However, there are some minimum tracking requirements for special education reporting, and it is more effective and so much easier to manage what you measure.

https://charterselpa.org/wp-content/uploads/2019/05/SpEd-Pages-from-CSAM-2019.pdf

Annual Budget Plan
Fiscal Year 2018–19

The Annual Budget Plan shall identify expected expenditures for all items required by this part as listed below. The Standardized Account Code Structure (SACS) codes provide source information from the local educational agency (LEA) reporting.

	Reference/Label	Instructions	Estimated Totals
A	Funds received in accordance with Chapter 7.2 (commencing with California *Education Code* [*EC*] Section 56836) (Special Education Program Funding)	SACS Resource Code 6500 (State), 3300–3499 (Federal) 6512–6535 (General Fund)	
B	Administrative costs of the plan	SACS Goal Code 5001 Function 2100	
C	Special Education services to pupils with: (1) **severe disabilities**, and (2) **low-incidence disabilities**	SACS Goal Code 5710	
		SACS Goal Code 5730	
		SACS Goal Code 5750	
D	Special education services to pupils with **non-severe disabilities**	SACS Goal Code 5770	
E	Supplemental aids and services to meet the individual needs of pupils placed **in regular education classrooms** and environments	Any SACS Goal Code with SACS Function Code 1130[1]	
F	Regionalized operations and services, and direct instructional support **by program specialists** in accordance with Article 6 (commencing with Section 56836.23) of Chapter 7.2 (SELPA Program Specialists Funding)	SACS Goal Code 5050	
		SACS Goal Code 5060	
G	The use of **property taxes** allocated to the special education local plan area pursuant to *EC* Section 2572	Statement is included in Local Plan	

[1] Function Activity Classification can be found http://www.cde.ca.gov/be/ag/ag/yr08/mar08item24a6.doc

For California Department of Education Use Only

Received by the State Superintendent of Public Instruction: Date: _____ By: _____

C	Special Education services to pupils with: (1) **severe disabilities**, and (2) **low-incidence disabilities**	SACS Goal Code 5710	0
		SACS Goal Code 5730	0
		SACS Goal Code 5750	1,936,424
D	Special education services to pupils with **non-severe disabilities**	SACS Goal Code 5770	144,032,446

2018-19 Annual Budget Plan

- Services to Non-Severe = 98.7%
- Services to Severe = 1.3%
- EDCOE Geo SELPA = 73% / 27%

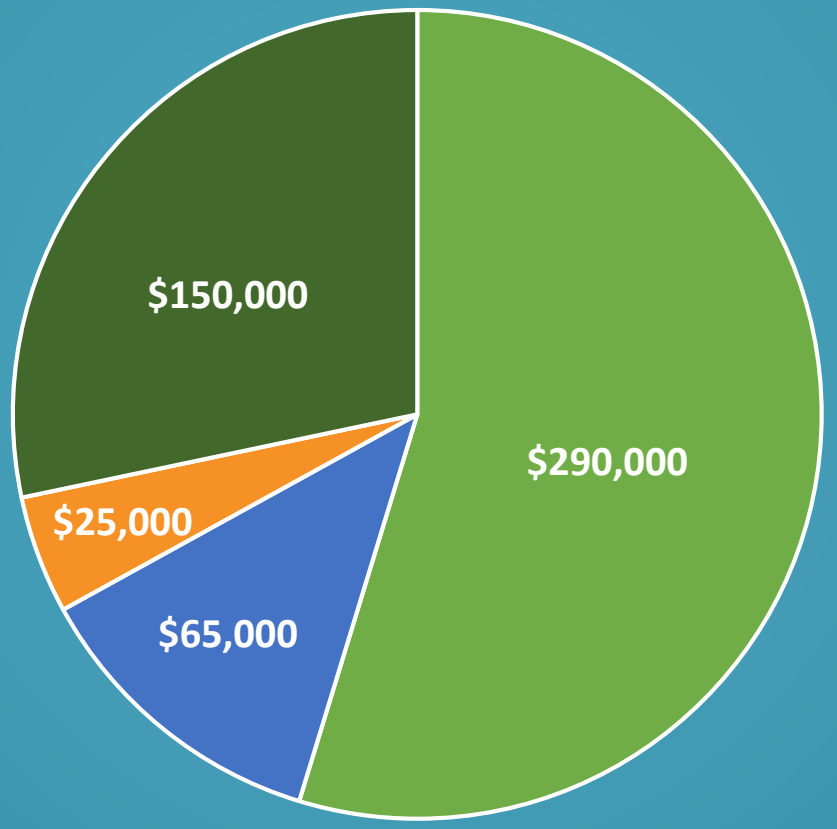
Special Education services to pupils with Non-Severe Disabilities ages 0-22 (1)	Special Education services to pupils with Severe Disabilities ages 5-22 (2)	Special Education services to pupils with Severe Disabilities ages 0-5 (3)	Supplemental Aids and services to meet the individual needs of pupils placed in regular education classrooms and environments (4)	Instructional Supervision, Administration & All Other SpEd Expenditures (5)	SELPA Admin/Set Aside Fee	Indirect Costs	Total Costs
0	0	0	0	0	0	0	0

Legend

(1)	SACS Goal Code 5770	Special education expenditures directed to children from birth to 22 years of age with non-severe disabilities. (This will default to the remainder of total costs not otherwise classified above.)
(2)	SACS Goal Code 5750	All special education expenditures directed to children with exceptional needs from the ages of five (who have been identified as kindergartners) to 22 years of age, inclusive, who require intensive instruction and training in programs serving pupils with the following profound disabilities: autism, blindness, deafness, severe orthopedic impairments, serious emotional disturbances, or severe mental retardation (intellectual disability).
(3)	SACS Goal Code 5710 & 5730	All special education expenditures directed to infants (younger than 3) and preschool students (ages 3 to 5) with exceptional needs who require intensive instruction and training in programs serving pupils with the following profound disabilities: autism, blindness, deafness, severe orthopedic impairments, serious emotional disturbances, or severe mental retardation (intellectual disability).
(4)	Any SACS Goal Code with Function Code 1130	Costs needed to facilitate a student receiving instruction provided in a regular education classroom or in an instructional setting other than separate classes, RSP Instruction, or NPA/S's. Supplementary aids and services include curriculum modifications and accommodations, as well as direct services and supports (e.g., instructional aide, interpreter services, Braille services, assistive technology).
(5)	SACS Goal Code 5001 & Function Code 2100	Special education instructional supervision and administration, whether directly charged or charged via Direct Support. All Direct Support charges should be entered here.

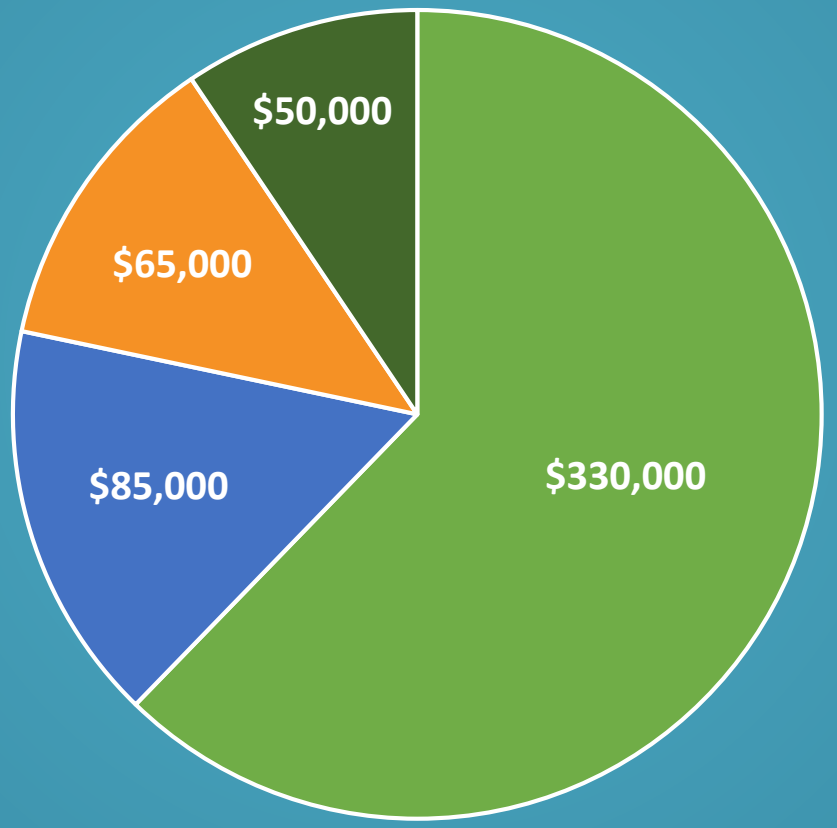
Analyze by RESOURCE

$530,000



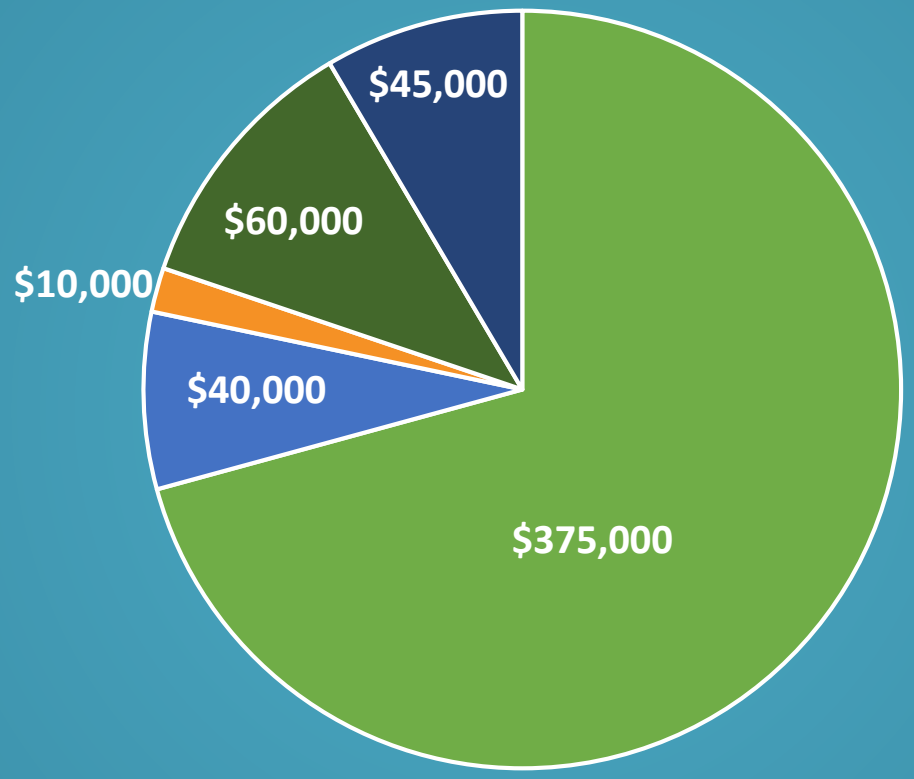
Analyze by FUNCTION

$530,000



Analyze by OBJECT

$530,000



Salaries
Benefits
Books & Supplies
Direct Support
Indirect Support

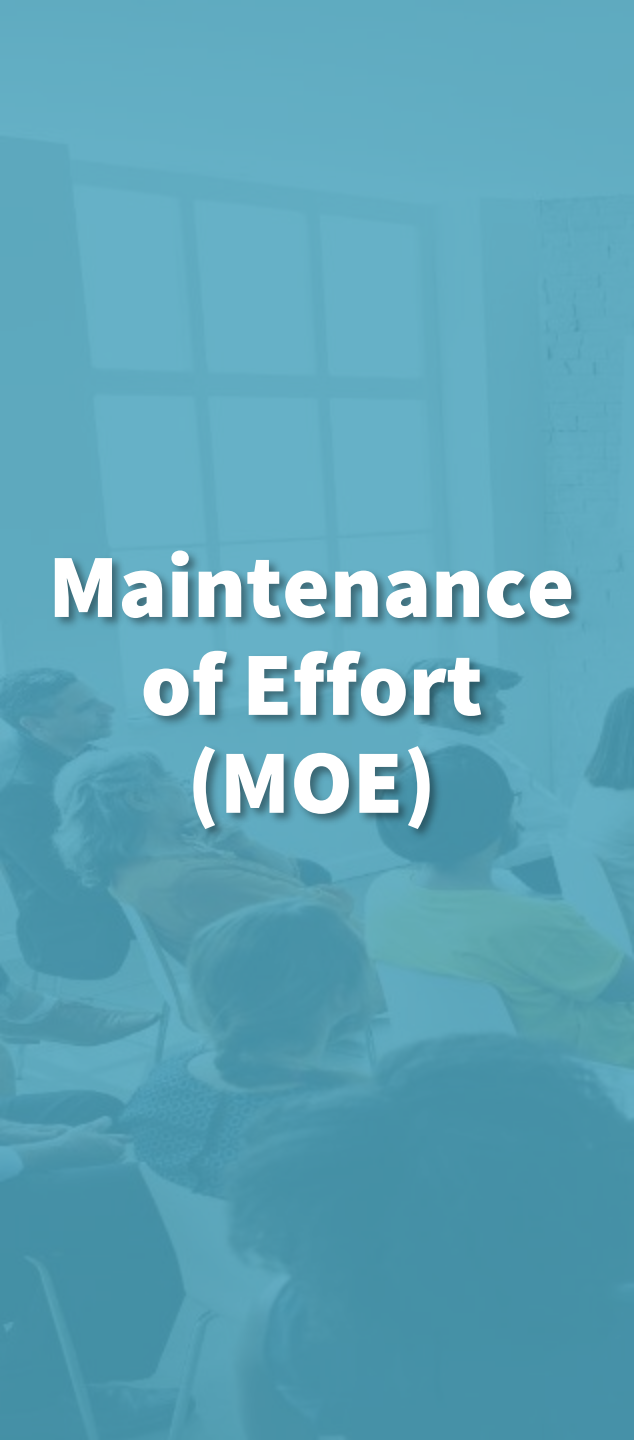
Time Accounting

- Any staff funded (partially or completely) from a restricted source (e.g. SpEd revenue) needs to have time documentation on record
  1. Substitute systems = sampling, schedule-based (CDE approval)
  2. STATE = State Documented Method (Activity Worksheets)
  3. Guidelines provided for federal funding OK to use for state funding
- Info and samples from CSAM in Year End Resource Guide
- See CSAM Procedure 905 for full details

Federal Requirements

Single Cost Objective	Multiple Cost Objective
Example: Ed Specialist who is full time special education, but part state part federal funded.	Example: Psychologist who is part time special education, part time general education.
Periodic Certification required at least semiannually	Personnel Activity Report (PAR) required monthly
State that the employee worked solely on that single cost objective during the period.	Report of daily activity spent in each objective.

Federal Funding Compliance



Maintenance of Effort (MOE)

Local spending compliance requirement for federal SpEd funding

Spend as least as much from STATE AND LOCAL FUNDS in current year as was spent in subsequent passing year (SEMA).

Budget at least as much from STATE AND LOCAL FUNDS for next year as was spent in subsequent passing year (SEMB).

https://charterselpa.org/wp-content/uploads/2018/03/MOE_Definitions-1.pdf

Four MOE Tests

Must pass at least one test each year for SEMA & SEMB

1) State & Local

2) State & Local / Pupil

3) Local Only

4) Local Only / Pupil

	SAMPLE Charter 2015-16 MOE				
1	Description	2015-16 Actuals	Comparison Data		
2	Federal	50,000	30,000		
3	State	165,000	190,000		
4	Local	39,000	40,000		
5	Total	254,000	260,000		
6	MOE Calculation State/Local or local Only:			variance	
7	State	165,000	190,000		
8	Local	39,000	40,000		
9	subtotal	204,000	230,000	(26,000)	NOT MET
10	pupil count	25	25		
11	per pupil MOE Calculation	8,160	9,200	(1,040)	NOT MET
12					
13	Local	39,000	40,000	(1,000)	NOT MET
14	pupil count	25	25		
15	per pupil MOE Calculation	1,560	1,600	(40)	NOT MET
16					

MOE Strategies Exemptions

1) The voluntary departure or departure for just cause of special education or related services personnel.

2) The termination of costly expenditures for long-term purchases, such as the acquisition of equipment or the construction of facilities.

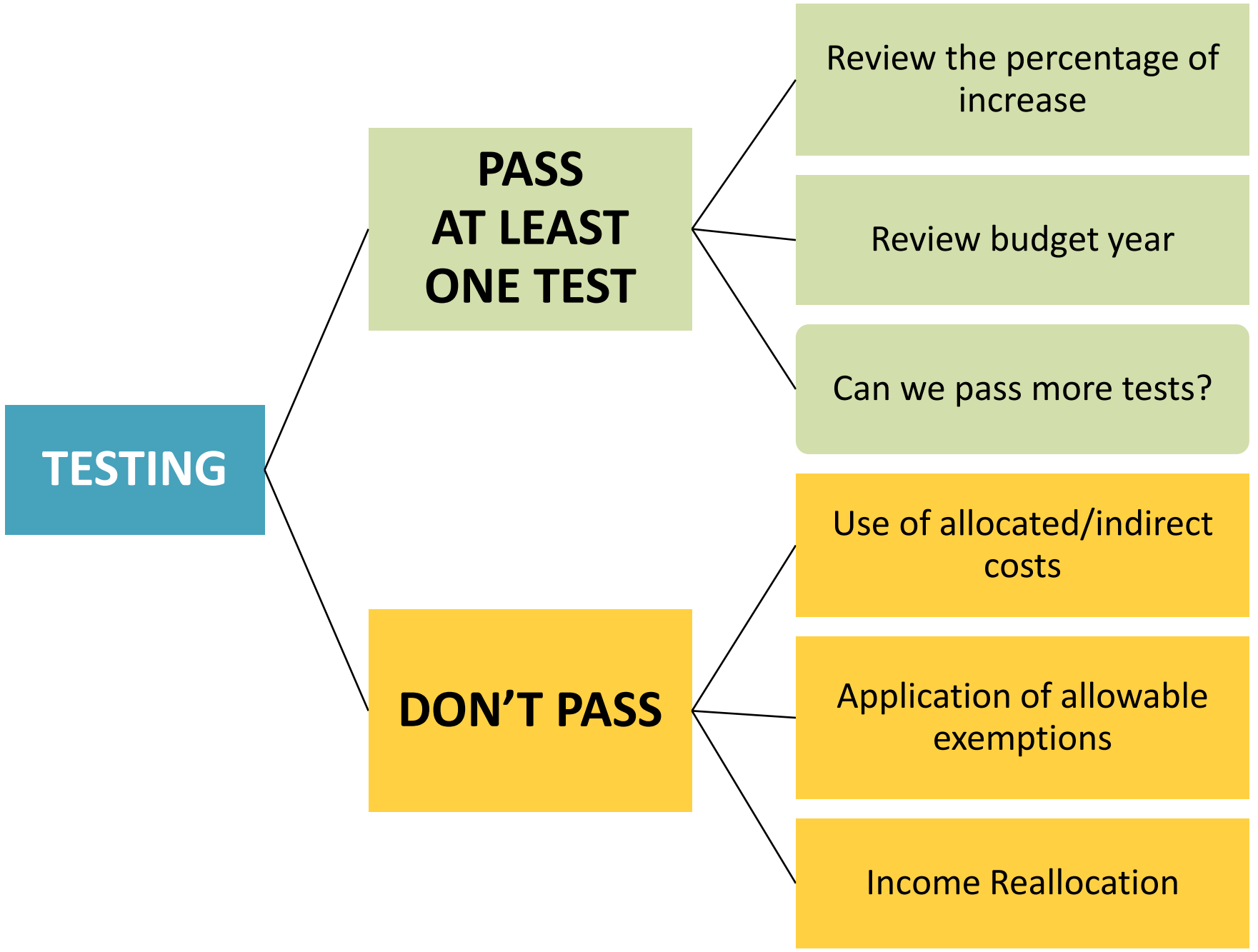
3) Up to 50% of any increase in federal funds over the prior year.

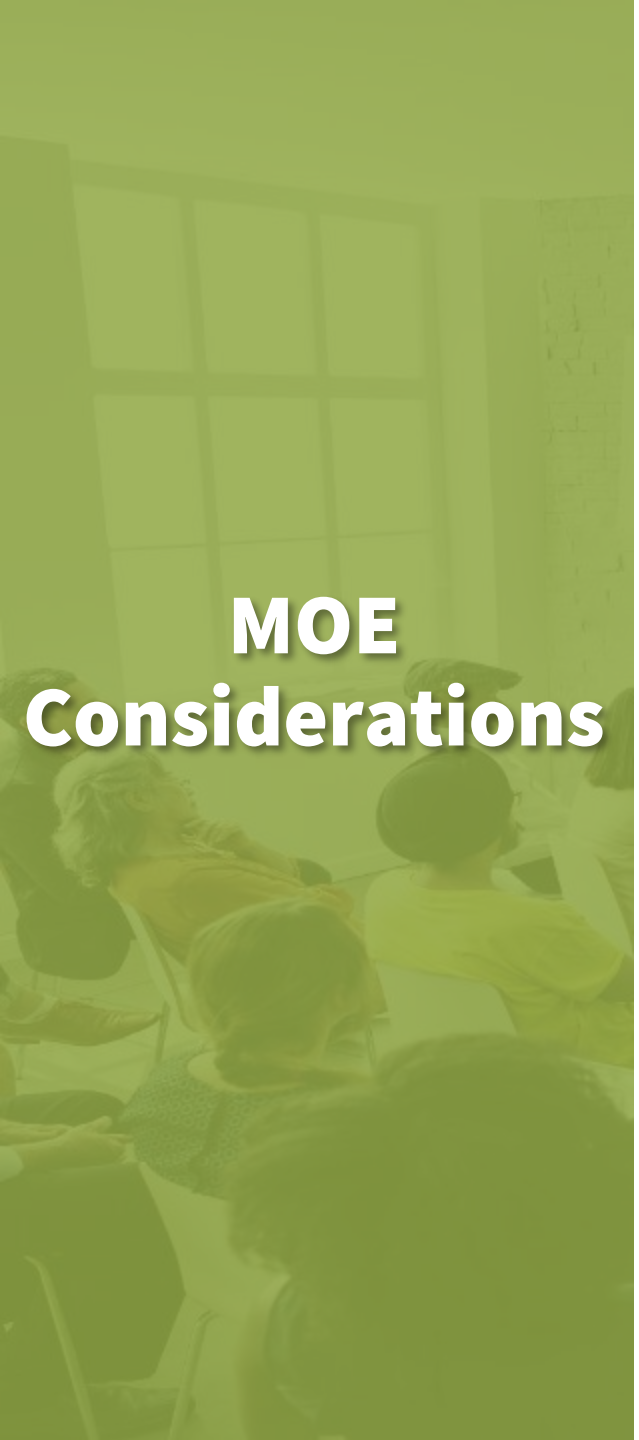
4) A decrease in the enrollment of children with disabilities. The SELPA no longer has the obligation to provide one or more exceptionally costly special education programs to student(s) because they:
   - Have left the jurisdiction of the SELPA; or
   - Have reached the age at which the SELPA is no longer required to provide free appropriate public education (FAPE) to the student(s); or
   - No longer need the program of special education.

	SAMPLE Charter 2015-16 MOE				
1	Description	2015-16 Actuals	Comparison Data		
2	Federal	50,000	30,000		
3	State	165,000	190,000		
4	Local	39,000	40,000		
5	Total	254,000	260,000		
6	MOE Calculation State/Local or local Only:			variance	
7	State	165,000	190,000		
8	Local	39,000	40,000		
9	subtotal	204,000	230,000	(26,000)	NOT MET
10	pupil count	25	25		
11	per pupil MOE Calculation	8,160	9,200	(1,040)	NOT MET
12					
13	Local	39,000	40,000	(1,000)	NOT MET
14	pupil count	25	25		
15	per pupil MOE Calculation	1,560	1,600	(40)	NOT MET

SAMPLE SELPA 2015-16 MOE	
Allowable exemptions:	
Lower paid staff:	
1.0 FTE salary/benefits in 2013-14	95,900
1.0 FTE Replaced in 2014-15 salary/benefits	85,000
Allowable reduction in base amount	10,900
Termination of a costly program/service	
NPS Student moved out of charter	
Total costs for this student in 2013-14	22,000
Total allowable reductions to base	32,900

MOE Decision Tree





MOE Considerations

Decreasing expenditures?

- Reasonable cost reductions by pursuing efficiencies are positive
- Just consider carefully the implications around MOE.

Important things to consider:

- Allowable federal exemptions
- Use of direct support/indirect costs
- Decline in SpEd population – e.g. costs declined 5%, but SpEd pupil count declined 5% (MOE includes a per student cost comparison)

Federal Excess Costs

- Federal law requires that federal special education funds (IDEA Part B) are to be spent for “Excess Costs”.

- Requirement to spend (on special education students) from state and local resources an amount equal to what is spent on general education, prior to spending federal SpEd dollars.

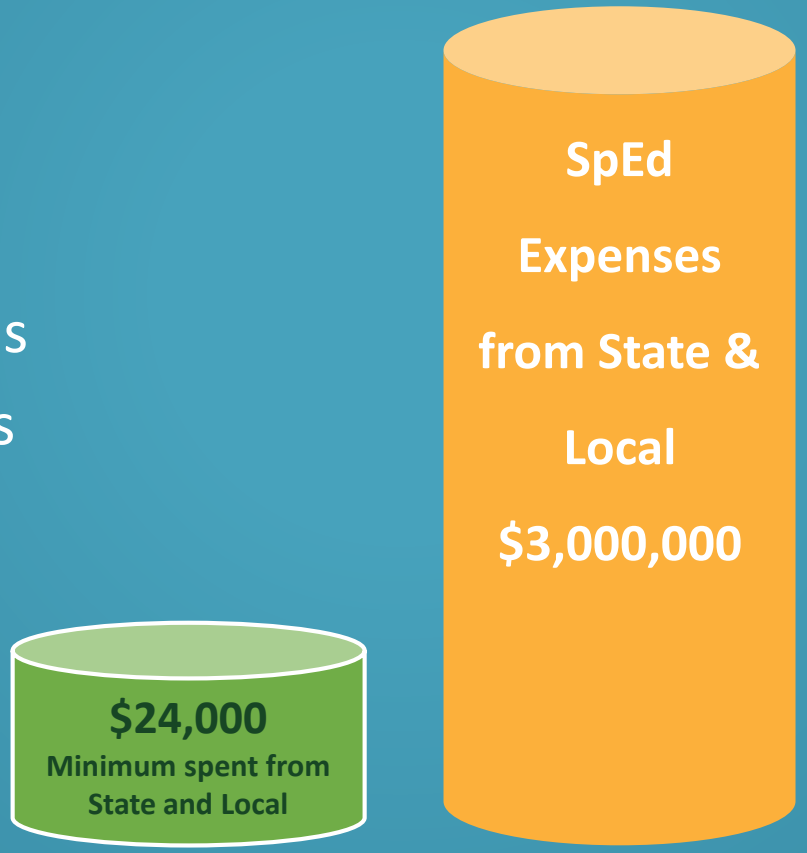
Excess Costs Calculation

The elements of the calculation for excess costs include the following:

- General Ed Expenditures/Total Enrollment = General Ed Cost per Student
  - $3,000,000 Gen Ed expenditures
  - 500 students
  - $3,000,000/500 = $6,000/Gen Ed student
- Special Education Student FTE (full time enrollment) using SEIS data on time spent in SpEd.
  - 40 SpEd students
  - Each student is in SpEd 10% of the day
  - 40 students x 10% (.10) = 4.0 FTE
- SpEd Student FTE x Gen Ed Cost per Student
  - 4.0 x $6,000 = $24,000
  - Excess Cost Floor

Excess Cost Calculation

- Excess Cost Floor = minimum spent on SpEd from State and Local funds before Federal SpEd funds can be spent.



- Charter SELPA will perform this annual calculation on your behalf
- CDE now requires the CFO/CBO of each LEA sign the calculation and the SELPA will submit to CDE.

Significant Disproportionality

Significant Disproportionality

Definition

- LEA disproportionality refers to the “overrepresentation” of a particular racial or ethnic group in one of four areas:
  - Special Education in general
  - Special Education within a specific disability category
  - Discipline
  - Least Restrictive Environment (LRE)

Significant Disproportionality

Methodology

- LEAs can be identified as having significant disproportionality by the following criteria:
  - Identified disproportionate by both measures (E-formula and Alternate Risk Ratio) defined as:
  - Identified disproportionate in the same cell (disability by ethnicity):

- In the current year, and in at least two of the previous three years.

Significant Disproportionality

Changes to Methodology

- CDE has made changes to the calculation methodologies for Indicators 4, 9, and 10 on the Annual Performance Report (APR) as well as adding disproportionality for Least Restrictive Environment (LRE).

- These changes were implemented in 2016-17.

Significant Disproportionality

Consequences

- Any LEA that is found to have disproportionate representation will be subject to state monitoring to ensure that the LEA's policies, procedures, and practices are compliant and do not lead to inappropriate identification.

If found Significantly Disproportionate, LEAs are required to use 15% of IDEA funds for Coordinated Early Intervening Services (CEIS).

Coordinated Early Intervening Services (CEIS)

- The IDEA allows – **sometimes requires** –expenditure of federal funds on CEIS.
- CEIS are for nondisabled students (i.e., currently not identified as needing special education).
- Based on research about the effectiveness of early intervention,
- Examples:
  - Behavioral interventions to nondisabled students, perhaps as a part of a PBIS initiative
  - Reading or math specialists for nondisabled students who have not reached grade-level proficiency
  - After-school tutoring for nondisabled students who score below standard on statewide assessments

Coordinated Early Intervening Services (CEIS)

- Federal dollars directed to CEIS must supplement not supplant other funding (state, local, & other federal funding sources).
- May not:
  - Provide services that are otherwise required by federal, state or local law.
  - Provide services that were paid for with other funds in a prior year (e.g., IDEA funds are used to provide services that were paid for with ESEA funds in the prior year.).

http://charterselpa.org/wp-content/uploads/2018/07/OSEP-CEIS-Guidance.pdf

Disproportionality Prevention

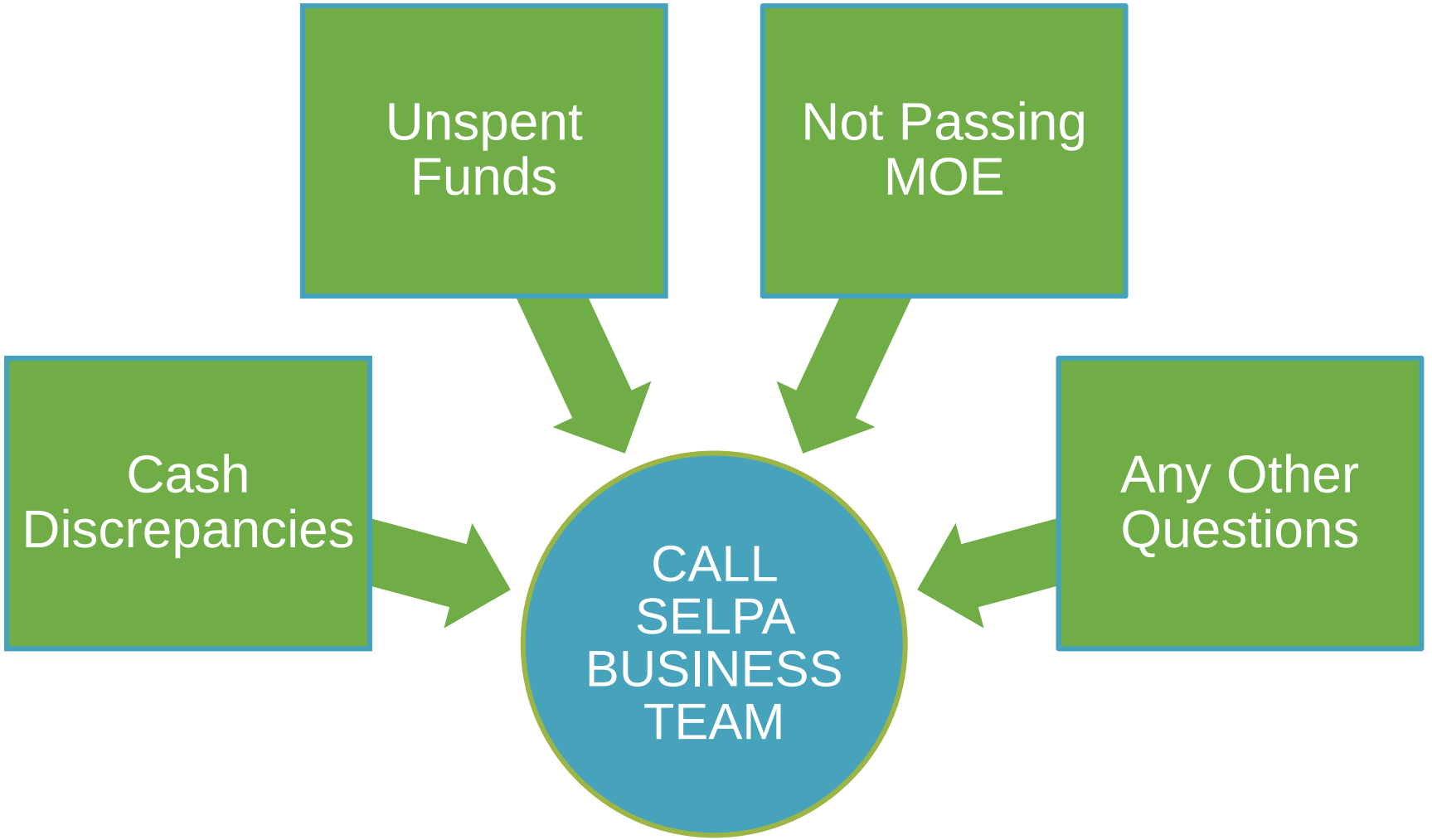
- Implement and monitor systems for correct data entry and regular examination of data to ensure data integrity between student information systems (CASEMIS and CALPADS).
- Implement and monitor processes and procedures for systemic behavior interventions, i.e. PBIS.
- Implement and monitor disciplinary policies, processes, and procedures that minimize suspensions and expulsions.
- Explore programs and practices that support alternatives to suspension and expulsion, i.e. Restorative Practices.
- Move towards inclusive practices to maximize opportunities for special education students in general education settings.

Final Thoughts

Stay Connected

- **Program/Business Buzz Sessions (web)**
  - **30-minute sessions**
  - You set the agenda
  - Email *charterselpabusiness@edcoe.org* to schedule.
- **Fiscal Committee Meetings (web)**
  - Wednesday, October 29, 2019
  - Wednesday, June 09, 2020

Fiscal Email Communication


Unspent Funds
Not Passing MOE
Cash Discrepancies
Any Other Questions
CALL SELPA BUSINESS TEAM