



CEO COUNCIL MEETING

Wednesday October 16, 2019 | 10:00 a.m.

Hilton Garden Inn – Sacramento/Airport Natomas
Delta Meeting Room
20 Advantage Court, Sacramento

Hosted Lunch: 12:00 p.m.

El Dorado Charter SELPA CEO Council Members

A complete list of CEO Council Members is presented in Attachment 7.4 of this agenda.

Notice: In compliance with the American with Disabilities Act, for those requiring special assistance to access public meeting rooms or to otherwise participate at a public meeting conducted by the El Dorado County Office of Education, please contact Kelly Carnahan at (530)295-2462, kcarnahan@edcoe.org at least 48 hours in advance of the meeting you wish to attend. Every reasonable effort will be made to accommodate you, including requests for auxiliary aids or services. Meeting documents are provided online at <https://charterselpa.org/governance/>. If you require documents from a public meeting be made accessible, please contact Kelly Carnahan at least 48 hours in advance of the meeting.

AGENDA

Time Item

(all times are estimated)

- | | | |
|----------|-----|--|
| 9:40 am | 1. | <u>Housekeeping/Procedural Announcements</u> |
| 10:00 am | 2. | <u>Call to Order</u> |
| | 3. | <u>Approval of Agenda</u> |
| | 4. | <u>Public Hearing</u> (for items not on the Agenda - comments limited to two minutes) |
| | 5. | <u>Welcome/Introductions</u> |
| | 5.1 | Welcome |
| | 5.2 | Introductions |

The CEO Council Meeting is also available online via Zoom. The Zoom registration link will be sent out via email one week prior to the meeting.



CONSENT ITEMS REQUIRING CEO COUNCIL ACTION

6. Consent Items Requiring CEO Council Action

Items included on the Consent Agenda are to be approved by one motion unless a CEO Council member requests separate action on a specified item.

6.1 Approval of Minutes of CEO Council Meeting Held May 23, 2019

The May 23, 2019 CEO Council Meeting Minutes are presented as Attachment 6.1.

END OF CONSENT AGENDA

7. REPORTS – NO ACTION REQUIRED

7.1 Minutes of Executive Committee Meeting Held September 12, 2019

The Minutes of the September 12, 2019 Executive Committee Meeting are presented as Attachment 7.1.

7.2 Review of Executive Committee Membership/Meeting Dates

A review of the current membership of the committee will take place. The Executive Committee meets several times per year and attempts to have broad representation from the CEO Council to include charter representatives from large, small, geographically diverse, etc., members. The Executive Committee provides input to the Charter SELPA leadership team as recommendations are developed for the CEO Council.

A list of the Executive Committee members for 2018-19:

Cindy Petersen, Gateway Community Charters
Dawn Evenson, iLEAD Schools
Debi Gooding, The Learning Academy
DiAnne McClenahan, The Bay Group
J. J. Lewis, Compass Charter Schools
Jonathan Dean, The O'Farrell Charter School
Josh Drake, Rocketship Public Schools
Julie Mattoon, KIPP Bay Area
Kapil Mathur, Orange County Academy of Sciences and Arts
Karin Marsolais, Preuss School UCSD
Kim Dammann, KIPP SoCal Public Schools
Lisa Freccero, Aspire Public Schools
Lynne Alipio, Altus Schools
Mark Ryan, North Valley Military Institute College Preparatory Academy
Mary Searcy Bixby, Altus Schools
Melissa Mora, ACE Charter
Michael Martucci, Ingenium Schools
Pat Hill, Learn 4 Life Concept Charter Schools
Patricia Dougherty, Phoenix Charter Academy
Paul Keefer, Pacific Charters
Wendy Sanders, Redding School of the Arts



The SELPA has confirmed members' interest in continuing to serve on the Executive Committee for 2019-20 and will ask for additional volunteers to become members. An informational flyer with the 2019-20 meeting dates is included as Attachment 7.2.

7.3 Charter SELPA Partners Recognition

In 2013, the Charter SELPA formally recognized our founding partners, identified as being with us in the first three years of operation. Starting in 2014, we have annually recognized those partners who have achieved five years of membership. The partners being recognized, who have achieved five years of membership, and have not been previously recognized, are:

- Caliber Schools
- Compass Charter Schools
- Delta Charter Schools
- e3 Civic High
- East Bay Innovation Academy
- Elevate Elementary
- Empower Charter
- MAAC Community Charter School
- Pacific Charter Institute
- San Diego Cooperative Charter Schools
- Semillas Community Schools
- Temecula Valley Charter School
- The Language Academy of Sacramento

7.4 Charter SELPA Membership

A list of the current 2019-20 members/CEOs of the El Dorado Charter SELPA is included as Attachment 7.4.

7.5 Professional Development Update

The Leadership Academy, a unique professional development program for charter school special education and aspiring leaders, will be held July 20th – 24th, 2020. The location is to be determined. Registration information will be available in spring, 2020.

Multiple Teacher Academies, two-day professional learning opportunities designed for both new and experienced special education teachers, may be held regionally in the summer and fall of 2020. Registration information will be available in spring, 2020.

Multiple Para-Educator Academies, one-day professional learning opportunities designed for both new and experienced para-educators, will be held regionally in the fall of 2019 and spring of 2020. Registration information is currently available through the Charter SELPA website.

The Special Education Symposium will take place Thursday, February 20, 2020 at the Doubletree by Hilton San Diego Mission Valley Hotel. Registration information will be available in late fall, 2019.



7.6 Fiscal Report

CEO Council will be updated on final 2018-19 results and 2019-20 budget projections. Please see Attachment 7.6, entitled “Fiscal Report: 2018-19 Year-End & 2019-20 Budget”, for this fiscal update.

7.7 Year-End Mental Health Funding Report

The CEO Council will be updated on the 2018-19 ERMHS budget and on the September finding of sufficiency for the 2019-20 ERMHS budget to assure a transparent and predictable level of funding for Charter SELPA partners. Please see Attachment 7.7, entitled “Year-End ERMHS Report”, for this update.

7.8 Local Plan Template

The Charter SELPA will provide an overview of the new local plan requirements. Assembly Bill (AB) 1808, requires all SELPAs to utilize a CDE-developed template that shall be used by SELPAs for their local plan, annual budget plan (ABP) and annual service plan (ASP) effective July 1, 2020.

INDIVIDUAL ITEMS REQUIRING CEO COUNCIL ACTION

8. Charter School Closure Policy

The Charter SELPA recommends revising and updating CEO Policy 27. The proposed revision describes the required procedures and responsibilities when a charter LEA closes. Details and proposed recommendations are included (with red-lined changes noted) in Attachment 8.

9. SELPA Oversight Policy

The Charter SELPA proposes the adoption of a new CEO policy regarding the Charter SELPA oversight responsibilities and procedures. The purpose of all monitoring and oversight activities is to ensure legal and effective LEA practices are in place to meet the needs of students with disabilities. This policy outlines areas of oversight and indicators that may cause a Charter SELPA review process. Details and proposed recommendations are included in Attachment 9.

10. Allocation Plan Updates

The Charter SELPA recommends updating element one of the Allocation Plan to align with current state law. Proposed recommendations are included (with red-lined changes noted) in Attachment 10.

10.1 Element two of the Allocation Plan is updated to align with the proposed Charter SELPA Oversight Policy (Attachment 9) and is included in Attachment 10.1.



11. Legal Risk Pool

In its current configuration, the Legal Risk Pool is not predicted to provide its intended protection beyond 2019-20. The Charter SELPA recommends a short-term revision to the Legal Risk Pool parameters to ensure sufficient resources to pay current year claims in order to provide time to discuss the long-term viability of the pool. Details and proposed recommendations are included in Attachment 11.

END OF ACTION ITEMS

12. SELPA Leadership Report

13. Future Agenda Items

14. Next Meeting Date

The next regularly scheduled meeting of the Charter SELPA CEO Council will be held on May 21, 2020 at the Hilton Garden Inn San Diego Bayside, 2137 Pacific Highway, San Diego, CA.

12:00 pm **15. Adjournment**





CEO COUNCIL MEETING MINUTES

Thursday, May 23, 2019 | 9:30 a.m.

Hilton Garden Inn – San Diego
Downtown/Bayside Kettner Meeting Room
2137 Pacific Highway A, San Diego, CA

Unadopted Minutes

El Dorado Charter SELPA CEO Council Members

A complete list of CEO Council Members present for the meeting in person or online is available upon request to Kelly Carnahan at kcarnahan@edcoe.org.

1. **Housekeeping/Procedural Announcements**

2. **Call to Order**

*The meeting was called to order at **9:49 a.m.** at the Hilton Garden Inn – San Diego Downtown/Bayside Kettner Meeting Room in San Diego, California, by David M. Toston, Associate Superintendent, El Dorado County Office of Education/SELPA Programs.*

3. **Approval of Agenda**

Motion to approve the agenda as presented was made by member Michelle Walker and seconded by member Laura Mudge. There was no discussion, all approved, and the motion carried.

4. **Public Hearing** (for items not on the Agenda - comments limited to two minutes)

Opened at 9:49 a.m. and, with no comments, the public hearing closed at 9:50 a.m.

5. **Welcome/Introductions**

5.1 Welcome

David M. Toston, Associate Superintendent, SELPA Programs, welcomed everyone to the meeting.

5.2 Introductions

CEO Council members and guests introduced themselves and Ginese Quann, Charter SELPA Director, read out the names of members and guests joining the meeting online.

CONSENT ITEMS REQUIRING CEO COUNCIL ACTION

6. **Consent Items Requiring CEO Council Action**

Items included on the Consent Agenda were approved as presented by one motion, with no CEO Council member requesting a separate action on a specified item.

6.1 **Approval of Minutes of CEO Council Meeting Held October 11, 2018**

The October 11, 2018 CEO Council Meeting Minutes were presented as Attachment 6.1.



6.2 **Approval of Proposed Meeting Schedules**

The following meeting schedules were proposed for the 2019-20 year:

CEO Council Meeting Dates for 2019-20:

October CEO Council Meeting – Sacramento, CA

Date: Thursday, October 16, 2019
Time: 9:30 a.m. to 12:00 noon
Location: Exact Location TBD

May CEO Council Meeting – San Diego, CA

Date: Thursday, May 21, 2020 (*corrected from erroneous May 23, 2019 date on agenda*)
Time: 9:30 a.m. to 12:00 noon
Location: Exact Location TBD

Executive Committee Meeting Dates for 2019-20:

Thursday, September 12, 2019 10:00 a.m. to 11:30 p.m.
Meeting held via Zoom videoconferencing platform

Thursday, April 2, 2020 10:00 a.m. to 11:30 a.m.
Meeting held via Zoom videoconferencing platform

Thursday, May 12, 2020 10:00 a.m. to 11:30 a.m.
Meeting held via Zoom videoconferencing platform

Wednesday, May 20, 2020
Executive Committee Retreat
San Diego – Exact Location TBD

(Note that the CEO Executive Committee may call additional meetings as needed throughout the year to address matters that may arise.)

A motion to approve the consent agenda items with one correction to the May 2020 CEO Council meeting date (from May 23, 2019 to May 21, 2020) was made by member Phil Beaumont and seconded by member Cameron Curry. There was no discussion, all approved and the motion carried.

END OF CONSENT AGENDA

7. **REPORTS – NO ACTION REQUIRED**

7.1 **Executive Committee Meetings**

7.1.1 **Minutes of Executive Committee Meeting Held February 19, 2019**

The Minutes of the February 19, 2019 Executive Committee Meeting were presented as Attachment 7.1.1. for information, no action required.



7.1.2 Minutes of Executive Committee Meeting Held May 9, 2019

The Minutes of the May 9, 2019 Executive Committee Meeting were presented as Attachment 7.1.2. for information, no action required.

7.2 Upcoming LEA Requirements

Charter SELPA leadership shared two significant items of note and will continue conversations throughout the upcoming year.

7.2.1 AB 1808 Guidance

Assembly Bill 1808, signed June 27, 2018, amended California Education Code 52062(a)(5) to include consultation with SELPA prior to consideration of LCAP by local boards.

The Charter SELPA will be working to align LCAP priorities with the Annual Assurances for Support Plan as CDE works to adopt a template. Details and guidance were included in the AB 1808 Guidance document, included as Attachment 7.2.1.

7.2.2 CASEMIS To CALPADS

As CASEMIS is expiring and the state transitions the required special education reporting to CALPADS, recent information was shared regarding the LEA's responsibility for the CASEMIS to CALPADS transition and reporting. Information regarding this transition was included in Attachment 7.2.2.

SELPA Leadership reminded partners that the CASEMIS reporting system is being replaced by CALPADS to integrate the reporting system with LCFF and LCAP. Changes are predominately with the LEA's responsibilities - SELPAs will have a different role and the LEA will have more responsibility to confirm special ed data. Resources, checklists and planning materials were shared.

Special education teams and the CALPADS team will work closely together during the transition. June 30th, 2019 is the last time CASEMIS will be used. The December 1 deadline will move to October 1st. The SELPA will certify an LEA's special education data before certification by CDE and the LEA level is the only level that can edit the information. SELPA will only have view and certification permissions. Communication between the SELPA and LEAs over the next few months will be very important.

7.3 Charter SELPA Membership

7.3.1 Current Members

A list of the current 2018-19 members/CEOs of the El Dorado Charter SELPA was included as Attachment 7.3.1.

7.3.2 New Members and Exiting Members for 2019-20

A list of the new members joining and members exiting the El Dorado Charter SELPA for 2019-20 (as of time we went to print) was presented as Attachment 7.3.2.

It was requested that any partner anticipating school openings and/or closures, please notify the Charter SELPA as soon as possible. We will respect confidentiality in sensitive situations.



7.3.3 2018-19 Partner Oversight Update

The integrated oversight process of the SELPA is designed to identify areas of LEA support for both program and fiscal operations, as well as protect the SELPA as a whole from the loss of distributed funding. The oversight process consists of monitoring several metrics for all partners. A detailed 2018/19 Partner Oversight Update was included as Attachment 7.3.3 for information, no action required.

It was suggested that SELPA consider developing oversight targets and parameters for targeting improvement. Oversight targets warrant further discussion and are potential agenda topics for future Executive Committee and CEO Council consideration.

7.4 Financial Update

7.4.1 Educationally Related Mental Health Services (ERMHS) Budget Update

CEO Council is updated at regular intervals on the ERMHS (Educationally Related Mental Health Services) budget to assure a transparent and predictable level of funding for Charter SELPA partners. See Attachment 7.4.1 for the detailed ERMHS budget update.

Bob Steponovich reviewed the ERMHS budget update and reported that the end of year mental health budget is strong. Our reimbursement rates, established by the final finding of sufficiency for all mental health levels, will be at 100% this year. We are projecting a 5% reserve level. A question arose about whether the December 1st count of services for the Level 2 formula would change in light of the reporting date change resulting from the CASEMIS to CALPADS conversion. Administration will evaluate. Any date change in the mental health formula would require CEO Council action.

7.4.2 Risk Pools Update

CEO Council is updated on the status of the SELPA Risk Pools. See Attachment 7.4.2 for detailed updates on the Set-Aside Risk Pool, the Low Incidence Pool and the Legal Risk Pool.

Bob Steponovich reviewed the Risk Pools Update document and reported a healthy balance in the Set-Aside Pool – the only draw on the pool this year was a legal settlement discussed at the October 2018 CEO Council meeting. The Low Incidence Pool contains an inadequate balance to cover all claims. SELPA is currently reviewing all submitted claims (May 1st submission date) to determine the maximum reimbursement rate and this determination will be shared with the field.

The Legal Risk Pool claims (May 1st submission date) are also under review with the reimbursement rate to be determined and shared with the field. SELPA will conduct a review of the long term viability of the legal risk pool due to trending increases in claims and decreases in funding. Proposed revisions will be presented to CEO Council in October, 2019.

INDIVIDUAL ITEMS REQUIRING CEO COUNCIL ACTION

8. 2019-20 Annual Service and Budget Plan

The Charter SELPA is required to annually prepare a budget and service plan in the manner and format prescribed by CDE. The budgeted expenditure data for 2019-20 is



based on prior year expenditure trends and projections for 2019-20 based on growth. The service plan is developed using CASEMIS student data for the SELPA and projections for 2019-20. A full copy of the 2019-20 Annual Service and Budget Plan was available at the CEO Council meeting and a copy of the Budget Plan and the recommendation for approval of the Annual Budget and Service Plans for 2019-20 were included in Attachment 8.

David Toston opened the public hearing at 11:00 a.m. and, with no public comment, closed the public hearing at 11:01 a.m. A motion to approve the Annual Budget and Service Plan for 2019-20 as presented was made by member Laura Mudge and seconded by member Steve Lewis. There was no discussion, all approved, and the motion carried.

9. Funding Rates

The Charter SELPA Allocation Plan requires that CEO Council is updated on 2018-19 and 2019-20 funding rate determinations and approves the use of any funds from the Rate Smoothing Pool. Details on these fiscal updates and recommendations were included in Attachment 9.

A motion to approve the action item as presented was made by member Robert Henning and seconded by member Patricia Dougherty. There was no discussion, all approved, and the motion carried.

10. Policy Revisions

10.1 Administrative Fee Reduction

As the Charter SELPA grows and achieves further economies of scale, the administrative fee schedule was revisited. The Charter SELPA has increased to over 170 organizations operating 370 schools and representing approximately 17,000 students with disabilities, and SELPA leadership proposed to reduce the administrative fee for new partners, as well as existing partners. Details and recommendations for approval of the proposed Administrative Fee Reduction was included in Attachment 10.1.

A motion to approve the action item as presented was made by member Lynne Alipio and seconded by Nicole Assisi. There was minor discussion, all approved, and the motion carried.

10.2 Rate-Smoothing Pool - Allocation Plan Revision

Allocation Plan language governing the use of funds in the Rate Smoothing Pool needs updating to align policy and administrative action regarding setting and maintaining the state funding rate each year. Details and recommendations on the proposed updated Allocation Plan language (with red-lined changes noted) was included in Attachment 10.2.

A motion to approve the action item as presented was made by member Jim D'Agostino and seconded by member Julie Mattoon. There was no discussion, all approved, and the motion carried.

10.3 SELPA Policies and Administrative Regulations

Charter SELPA recommended revising and updating numerous Charter SELPA Policies and Administrative Regulations to align with Ed Code. The following is a list of the CEO Policies and Administrative Regulations (ARs) to be updated and they were presented



for adoption by CEO Council (The redline and clean versions of the following Policies and ARs were posted to the Charter SELPA website and copies were available at the May CEO Council meeting):

a. Comprehensive Plan for Special Education	CEO Policy No. 1	AR No. 1
b. Identification and Evaluation of Individuals for Special Education	CEO Policy No. 2	AR No. 2
c. Individualized Education Program	CEO Policy No. 3	AR No. 3
d. Procedural Safeguards and Complaints for Special Education	CEO Policy No. 4	AR No. 4
e. Confidentiality of Student Records	CEO Policy No. 5	AR No. 5
f. Compliance Assurances	CEO Policy No. 8	
g. Governance		AR No. 9
h. Personnel Qualifications	CEO Policy No. 10	AR No. 10
i. Participation in Assessments	CEO Policy No. 12	AR No. 12
j. Supplementation of State, Local and Other Federal Funds	CEO Policy No. 13	
k. Maintenance of Effort	CEO Policy No. 14	AR No. 14
l. Suspension/Expulsion	CEO Policy No. 16	AR No. 16
m. Access to Instructional Materials	CEO Policy No. 17	
n. Overidentification and Disproportionality	CEO Policy No. 18	
o. Prohibition of Mandatory Medicine	CEO Policy No. 19	
p. Data	CEO Policy No. 20	
q. Behavior Interventions for Special Education	CEO Policy No. 23	AR No. 23
r. Nonpublic, Nonsectarian School and Agency	CEO Policy No. 24	AR No. 24
s. Conflict of Interest	CEO Policy No. 25	
t. Federal Maintenance of Effort Requirement	CEO Policy No. 28	AR No. 28

A motion to approve the action item as presented and approve revision to the presented Policies and Administrative Regulations was made by member Cameron Curry and seconded by member Jennifer Cauzza. There was no discussion, all approved, and the motion carried.

END OF ACTION ITEMS

11. Update from CEO Executive Committee Retreat

David Toston reported on the topics addressed at the CEO Executive Committee Retreat. Positive results from the annual survey - the level of engagement was higher than in previous years; a reflection of the culture set in place. We sent the survey to three separate groups of our members: CEO Council members, Steering/Program support teams, and fiscal teams. The SELPA leadership will continue to monitor and respond to the current political landscape.



Executive Committee members were thanked for their investment of time this year and an open invitation was made for membership on Executive Committee next year.

12. SELPA Leadership Report

David Toston reported that the El Dorado County SELPA was awarded the statewide SELPA Improvement Lead grant to expand the capacity of other SELPAs. Charter support for appropriate funding bills will be sought throughout the year.

13. Future Agenda Items

Future agenda items proposed included:

- *Process for adoption of upcoming Local Plan Revisions.*
- *Potential anti-charter school bills.*
- *Annual Assurances Plan*

14. Next Meeting Date

The next regularly scheduled meeting of the Charter SELPA CEO Council will be held on October 16, 2019 in Sacramento – exact location to be determined.

15. Adjournment

A motion to adjourn the meeting was made by member Jennifer Cauzza and seconded by member Dawn Evenson. There was no discussion, all approved, and the motion carried. The meeting was adjourned at 12:10 p.m.





EL DORADO
CHARTERSELPA

EL DORADO CHARTER SELPA
Thursday, September 12, 2019

Meeting was held via Zoom
Thursday, September 12, 2019 at 10:00 a.m.

EXECUTIVE COMMITTEE MEETING MINUTES

*Attended

Charter SELPA:

David M. Toston, Associate Superintendent*
Ginese Quann, Charter SELPA Director*
Robert Steponovich, SELPA Business Services Director*

Vicki L. Barber, Retired EDCOE Supt. of Schools
Kelly Carnahan, Program Assistant*

Executive Committee Members:

Melissa Mora, ACE Charter School
Mary Searcy Bixby, Altus Schools*
Lynne Alipio, Altus Schools*
Lisa Freccero, ASPIRE
J.J. Lewis, Compass Charter Schools*
Allegra Johnson, Da Vinci Schools
Cindy Petersen, Gateway Community Charters
Dawn Evenson, iLead Schools
Michael Martucci, Ingenium Schools*
Julie Mattoon, KIPP Bay Area Schools*
Kim Damman, KIPP LA Schools*
Pat Hill, Learn4Life*

Mark Ryan, North Valley Military Institute*
Kapil Mathur, Orange County Academy*
Patricia Dougherty, Phoenix Charter Academy*
Karin Marsolais, Preuss School UCSD*
Paul Keefer, Pacific Charter Institute*
Wendy Sanders, Redding School of the Arts*
Josh Drake, Rocketship Education
Barbara Hale, Sycamore Academy Charter*
DiAnne McClenahan, The Bay Group*
Debi Gooding, The Learning Center
Jonathan Dean, The O'Farrell Charter School

Guests: Laura May-King-Chavez*, Leah Dato-King-Chavez*, Connie Petit-Learn 4 Life*, Jennifer Zamora-Bay Area Technology*, John Egnor-Inspire Charter Schools*, Laura Blachman-New Day Academy Inc.*, Lorna Rochman-McEntire-River Montessori Elementary Charter*, Margaret Johnson-Redding School of the Arts*, Mitchell Miller-College Preparatory Middle School Inc.*, Michelle Day-Connecting Waters Charter Schools*, Rhoni Koenig-New Day Academy Inc.*, Robert Hennings-Springs Charter Schools*, Samantha Pohaku-The O'Farrell Charter Schools*, Shelly Lether-Aspen Public Schools Inc.*, Stephanie Walton-Circle of Independent Learning*, Susana Campo-Green Dot Public Schools California*, Timothy Ribota-Pacific Charter Institute*, Priscilla Kucer-Oakland Military Institute College Preparatory Academy*, Susan Domenighini-Blue Oak Charter School Inc.*, Vu Long Trinh-ACE Charter Schools*, Jessica Tackas-El Dorado Charter SELPA*, Kathleen Hall-El Dorado Charter SELPA*

1. Charter School Closure Policy

The Charter SELPA recommends revising and updating CEO Policy 27. The proposed revision describes the required procedures and responsibilities when a charter LEA closes. Details and proposed recommendations are included (with red-lined changes noted) in Attachment 1.

David Toston explained that all proposed revisions align with Ed. Code requirements for the Charter SELPA and LEA. In addition to clarifying the respective responsibilities the policy includes new language regarding a release of claims upon closure. We propose including this language in the policy due to the difficulty of obtaining it after a school closure. Each partner agrees to adhere to our policies by signing the participation agreement at the onset of membership. The majority agreed to move this proposal forward to CEO Council.

2. SELPA Oversight Policy

The Charter SELPA proposes the adoption of a new CEO policy regarding the Charter SELPA Oversight responsibilities and procedures. The purpose of all monitoring and oversight activities is to ensure legal and effective LEA practices are in place to meet the needs of students with disabilities. This policy outlines areas of oversight and indicators that may cause a Charter SELPA review process. Details and proposed recommendations are included in Attachment 2.

This new oversight policy was created from language previously contained in CEO Policy 27 noted above. Policy 27 focuses on LEA's responsibilities when closing. The new policy articulates the Charter SELPA oversight process to provide support when concerning situations arise. David emphasized that this is just an indicator and a starting place for the conversations to ensure a shared understanding of the situation.

The majority agreed to move this proposal forward to CEO Council with proposed amendments.

2.1 Allocation Plan section number 2 is amended to align with Attachment 2 and is included in Attachment 2.1.

Bob Steponovich shared that the only proposed revision is the addition of the Federal Grant Compliance paragraph. This language was added in response to recent events and conversation with the CDE where it was agreed that the SELPA could make the decision to withhold federal funding from an LEA where there is evidence that the LEA was not in compliance with federal grant requirements. The majority agreed to move this proposal forward to CEO Council.

3. Legal Risk Pool

In its current configuration, the Legal Risk Pool is not predicted to provide its intended protection beyond 2019-20. The Charter SELPA recommends revision to the Legal Risk Pool parameters to ensure sufficient resources to pay current year claims. Details and proposed recommendations are included in Attachment 3.

Bob stated both sources of revenue have been declining due to LEAs building capacity and revenue being spent at a greater rate. There is no outside funding for this pool, beyond retrieved unspent funds. The increased cost is the result of a rise in due process filings and claims from partners who had not previously filed. Bob reviewed the history of this pool and highlighted previous discussions regarding this decreasing revenue and increasing claims to the pool. A solution will need to be developed over the course of this school year to maintain this resource, the need for a solution as this risk pool appears unsustainable. The majority agreed to move this proposal forward to CEO Council.

REPORTS

4. Local Plan Template

The Charter SELPA will provide an overview of the new local plan requirements. Assembly Bill (AB) 1808, requires all SELPAs to utilize a CDE developed template that shall be used by SELPAs for their local plan, annual budget plan (ABP) and annual service plan (ASP) to be used by all SELPAs effective July 1, 2020.

Ginese Quann shared that the new State SELPA local plan template has been finalized. The SELPA is in the process of transitioning to the new SELPA local plan template for approval at the May 2020 CEO Council Meeting. Once approved by the CEO Council, each LEA will need to present the Local Plan to their respective boards for adoption in the summer/fall of 2020 for implementation by 2021. LEAs will be required to post all documents on their webpages. This is an information only item.

5. Educationally Related Mental Health Services (ERMHS) Year End Report

CEO Executive Committee will be updated on the 2018-19 ERMHS budget and on the September finding of sufficiency for the 2019-20 ERMHS budget to assure a transparent and predictable level of funding for Charter SELPA partners. Please see Attachment 4, entitled "Year End ERMHS Report", for this update.

Bob Steponovich discussed the proposed 2019-20 ERHMS budget and communicated initial funding determination for level 2 and level 3.

6. SELPA Leadership Report

David provided and update of the status of the A3 affiliated schools, the pending charter school legislation in relation to the Charter SELPA and analysis of a recent special education report.

No future agenda items were given.

Adjourned 11:29 a.m.



2019-20 CHARTER SELPA EXECUTIVE COMMITTEE MEETINGS

Description

The Executive Committee serves as an informal advisory body to the Charter SELPA Administrative Unit. Executive Committee members review policies and procedures to make recommendations to the CEO Council for action items at the October and May meetings. At the first CEO Council Meeting for the fiscal year, an invitation to participate in the Executive Committee is issued to all of SELPA's partners. Summaries of the Executive Committee meetings shall be transmitted to the full membership of the Charter SELPA CEO Council.

Participants

The Executive Committee shall be comprised of all Charter SELPA CEO Council members who have an interest in participating as a committee member. Committee participation shall be at the discretion of individual members who shall be free to attend, or not attend, meetings as they choose.

General Information

Meetings will be held via the Zoom web-conferencing platform. Participants are able to listen/participate in the meeting. No special equipment is required – just a computer with audio capability and an internet connection. Log-in information to participate, along with the meeting agenda and supporting documents, will be made available one week prior to each meeting.

2019-20 Meetings: *

Thursday, September 12, 2019
10:00 a.m. to 11:30 a.m. via Zoom

Thursday, April 2, 2020
10:00 a.m. to 11:30 a.m. via Zoom

Tuesday, May 12, 2020
10:00 a.m. to 11:30 a.m. via Zoom

Executive Committee Retreat

Wednesday, May 20, 2020
Time: TBD
Hilton Garden Inn San Diego Bayside
2137 Pacific Highway, San Diego, CA 92101

*Please note additional Executive Committee meetings may be called as needed.



Charter SELPA CEO Council Members - October 2019

David M. Toston
Vicki Barber
Arianna Barrera
Daina Mahaffey
James Barrett
Jen Parker
Kale Elledge
Kelly Carnahan
Lauren Bechtol
Melissa Guess

Bob Steponovich
Adam Campbell
Beverly Jenkins
Drew Lawton
Janelle Mercado
Jeremiah Whitten
Katelyn James
Kevin Miller
Lena Williamson
Meredith Akers

Ginese Quann
Alina Gaiduchik
Christina French
Erin Finnell
Jasmine Vance
Jessica Takacs
Kathleen Hall
Kirstin Comstock
Leslie Myrick
Moises Buhain

Kevin Schaefer
Alison Rose
Christine Parker
Heidi Hata
Jeff Illingworth
Jill David
Kathy Leal
Lakesha Harris
Marissa Thompson
Nichola Lewis

Tamara Clay
Angela Mercado
Crystal Keith
Holly Carlstroem
Jenny Moore
Juliet Anyanwu
Kathy Smiley
Lansiné Touré
Matt McCue
Nickie Terpening

Partner Name	CEO	Title	LEAs
ACE Charter Schools	Greg Lippman	CEO/Executive Director	4
Achieve Charter School of Paradise Inc.	Casey Taylor	Executive Director	2
Albert Einstein Academies	David Sciarretta	Principal	2
Alma Fuerte Public	Laurilie Keay	Director	1
Alpha Public Schools, Inc.	John Glover	CEO	4
Alta Public Schools	Xavier Reyes	CEO	1
Altus Schools	Mary Bixby	CEO	7
America's Finest Charter	Jan Perry	Executive Director	1
Amethod Public Schools	Jorge Lopez	CEO	6
ARISE High	Soo Jin Kim	Head of School	1
Aspen Public Schools, Inc.	Shelly Lether	Executive Director	2
ASPIRE Public Schools	Mala Batra	CEO	26
Aurum Preparatory Academy	David Hardin	Executive Director	1
Baypoint Preparatory Academy	Nancy Spencer	Executive Director	2
Bella Mente Montessori Academy	Erin Feeley	Executive Director	1
Blue Oak Charter School, Inc.	Susan Domenighini	Executive Director	1
Caliber Schools	Jennifer Moses	CEO/Co-Founder	2
California Online Public Schools	Richard Savage	Executive Director	2
California Virtual Academies	Katrina Abston	Executive Director	4
Capitol Collegiate Academy	Cristin Fiorelli	Principal	1
Ceiba Public Schools	Annie Millar	Executive Director	1
Chico Country Day	Amie Parent	Director of Special Education	1
Circle of Independent Learning	Stephanie Walton	Executive Director	1

Partner Name	CEO	Title	LEAs	
City Heights Preparatory Charter	Elias Vargas	School Director	1	
Classical Academy Schools	Cameron Curry	Executive Director	4	
Clayton Valley Charter High	Jim Scheible	Executive Director	1	
College Preparatory Middle School, Inc.	Christina Callaway	Director of School Business	1	
Community Learning Center Schools, Inc.	Annalisa Moore	Executive Director	2	
Community Roots Academy	Jeremy Cavallaro	Executive Director of Education	1	
Community School for Creative Education	Ida Oberman	CEO	1	
Compass Charter Schools	J. J. Lewis	CEO	3	
Connecting Waters Charter Schools	Sherri Nelson	Executive Director/CEO	2	
Contra Costa School of Performing Arts	Neil McChesney	Executive Director	1	
CORE Butte, Inc.	Mary Cox	Executive Director	1	
Darnall Charter	Hee-Jin Peterson	Associate Director of Instruction	1	
Da Vinci Schools	Matthew Wunder	Executive Director	2	
Delta Charter Schools	Steve Payne	Deputy Superintendent	7	
Dixon Montessori Charter	Ben Ernest	Executive Director	1	
e3 Civic High	Cheryl Ward	CEO	1	
East Bay Innovation Academy	Devin Krugman	Head of School	1	
Ednovate	Oliver Sicat	CEO	1	
Education for Change	Hae-Sin Thomas	CEO	7	
Eleanor Roosevelt Community Learning Center	Daniel Huecker	Director/Superintendent	1	
Element Education, Inc.	Terri Novacek	Executive Director	2	
Elevate Elementary	Ryan Elliott	Principal/CEO	1	
Elite Public Schools	Ramona Robinson-Bishop	President/CEO	1	
El Rancho Charter School	Michelle Walker	Principal of Academics	1	
Empower Charter	Demi Brown	Executive Director/President	1	
Environmental Charter Schools, Non-Profit	Farnaz Golshani-Flechner	Executive Director/CEO	3	
Envision Schools	Gia Truong	CEO & Superintendent	3	
Epic Charter Schools of California	Paul MacGregor	Executive Director	1	

Partner Name	CEO	Title	LEAs	
Epiphany Prep Charter	David Rivera	President	1	
Escuela Popular del Pueblo	Patricia Reguerin	Executive Director	2	
Fortune	Margaret Fortune	CEO/Principal	2	
Francophone Charter School of Oakland	Farid Senna	Interim Executive Director	1	
Garvey/Allen Visual and Performing Arts Academy for Science, Technology, Engineering & Mathematics	Tiffany Gilmore	CEO	1	
Gateway College and Career Academy	Miguel Contreras	Director	1	
Gateway Community Charters	Cindy Petersen	Superintendent/CEO	6	
GOALS Academy	Debra Schroeder	Director	1	
Gompers Preparatory Academy	Jane Firpo	Executive Director	1	
Gorman Learning Center, Inc.	Denice Burchett	Executive Director	2	
Green Dot Public Schools California	Cristina De Jesus	CEO	1	
Growth Public Schools	David Richards	CEO	1	
Guajome Schools	Kevin Humphrey	Superintendent of Schools	2	
Harriet Tubman Village Charter	Ryan Woodard	CEO/Principal	1	
Hawking S.T.E.A.M. Charter Schools	Lorena Chavez	CEO	1	
Hayward Collegiate Charter	Neena Goswamy	Executive Director	1	
Holly Drive Leadership Academy	Alysia Smith	Principal	1	
Howard Gardner Community Charter	Beverley Jimenez	Executive Director	1	
Iftin Charter	Ali Hori	Prinicpal	1	
iLEAD Charter Schools	Dawn Evenson	Executive Director	6	
Imagine Schools	Darrin Anderson	Regional Director	1	
Ingenium Schools	David Langford	President/CEO	2	
Inland Leaders Charter School	Mike Gordon	Executive Director	1	
Innovations Academy	Christine Kuglen	Director	1	
Inspire Charter Schools	Steven Lawrence	Interim Executive Director/COO	10	
Inspire School of Arts and Sciences	Dan LaBar	Principal/Superintendent	1	
Invictus Academy of Richmond	Gautam K Thapar	Executive Director	1	
John Adams, Inc.	Heather Brown	Co-CEO/Headmaster	3	

Partner Name	CEO	Title	LEAs	
Julian Charter School, Inc.	Jennifer Cauzza	Executive Director	3	
Kairos Public School Vacaville Academy	Jared Austin	Executive Director	1	
Kavod Charter School	Alexa Greenland	Executive Director	1	
Keiller Leadership Academy	Joel Christman	Executive Director	1	
KEY Educational Group	Krista Kastriotis	Executive Director	1	
Kinetic Academy	Bre Lionetti	Executive Director	1	
King-Chavez	Cindy Kelley	CEO	6	
KIPP Bay Area Public Schools	Beth Sutkus-Thompson	Executive Director	13	
KIPP SoCal Public Schools	Marcia Aaron	CEO	10	
Leadership Public Schools	Patricia Saddler	Superintendent & CEO	3	
Learn 4 Life	Pat Hill	VP of Student Services	14	
Learning Choice Academy	Debi Gooding	Executive Director	3	
Lifeline Education Charter School	Paula DeGroat	Director	1	
Life Source International Charter	Deberae Culpepper	Executive Director	1	
Lighthouse Community Public Schools	Jenna Stauffer	CEO	3	
MAAC Community Charter School	Arnulfo Manriquez	President/CEO	1	
Magnolia Educational and Research Foundation	Alfredo Rubalcava	CEO	6	
Making Waves Academy	Alton Nelson	CEO	1	
Mary L. Booker Leadership Academy	Terrence Davis	Head of School	1	
McGill School of Success	Norma Sandoval	Principal/CEO	1	
Mission Preparatory	Kristine MacDonald	Executive Director	1	
Museum	Phil Beaumont	Executive Director	1	
National University Academy	Kimberleigh Kopp	Executive Director	3	
Navigator Schools	Kevin Sved	CEO	3	
New Day Academy, Inc.	Laura Blachman	Executive Director	2	
Nord Country School, Inc.	Kathy Dahlgren	Principal/Superintendent	1	
North Oakland Community Charter School	D. M. (David) Kloker	Head of School	1	
North Valley Military Institute College Preparatory Academy	Mark Ryan	Superintendent	1	

Partner Name	CEO	Title	LEAs	
Oakland Military Institute College Preparatory Academy	Colonel Peter Cross	Superintendent/Commandant	1	
Oakland School for the Arts	Staci Smith	Interim Executive Director	1	
Old Town Academy K-8 Charter	Jon Centofranchi	CEO	1	
Olive Grove Charter School	Laura Mudge	President/Director	5	
OnePurpose School	Anne Shibley	Principal	1	
Orange County Academy of Sciences and Arts	Kapil Mathur	Executive Director	1	
Oxford Day Academy	Mallory Dwinal	CEO/COO	1	
Oxford Preparatory Academy	Jill Marks	Executive Director	2	
Pacific Charter Institute	Paul Keefer	Executive Director	2	
Pacific View Charter	Gina Campbell	Founding Executive Director	1	
Palmdale Aerospace Academy	Laura Herman	Headmaster	1	
Paragon Collegiate Academy	Serafin Alvarez	Vice President	1	
Partners in Oakland Education	Rosette Costello	Executive Director	1	
Peak to Peak Mountain Charter	Jeffrey Fenske	Administrator	1	
Perseverance Preparatory School	Alexandria LeeNatali	Founder and Executive Director	1	
Phoenix Charter Academy	Patricia Dougherty	CEO	1	
Plumas Charter	Taletha Washburn	Executive Director	1	
Preuss School UCSD	Helen Griffith	Executive Director	1	
REACH Leadership STEAM Academy	Virgie Rentie	Executive Director/CEO	1	
REAL Journey Academies	Alex Lucero	Chief Executive Officer	1	
Redding School of the Arts	Margaret Johnson	Executive Director	1	
Redding STEM Academy	John Husome	Director / Principal	1	
Rising Sun Montessori	Karl Zierhut	Head of School	1	
River Charter Schools	Steve Lewis	Superintendent	2	
River Montessori Elementary Charter	Kelly Mannion	Executive Director	1	
ROADS Education	Jayna Gaskell	Executive Director	4	
Rocketship Public Schools	Preston Smith	CEO	13	
Rocklin Academies	Robin Stout	CEO/Executive Director	4	
Ronald Reagan Charter School Alliance	Barbara Hale	Director/Principal	2	

Partner Name	CEO	Title	LEAs	
Roses In Concrete Community School	Jeff Duncan-Andrade	Founder/Board Chair	1	
Ross Valley Charter School	Luke Duchene	School Director	1	
Samueli Academy	Anthony Saba	Executive Director	1	
San Diego Cooperative Charter Schools	Tom Pellegrino	Executive Director	1	
San Diego Global Vision Academy	Christine Kane	Executive Director	1	
San Jose Conservation Corps Charter	Dorsey Moore	Executive Director	1	
Santiago Middle	James D'Agostino	Principal/Executive Director	1	
Scholarship Prep	Jason Watts	COO	2	
School for Entrepreneurship and Technology	Neil McCurdy	CEO	1	
School of Arts and Enterprise	Lucielle Berger	Executive Director	1	
Semillas Community Schools	Marcos Aguilar	Executive Director	1	
SF Five Keys	Steve Good	Executive Director	3	
Sherwood Montessori	Michelle Yezbick	Director	1	
Sierra Charter	Lisa Marasco	Principal / CEO	1	
Springs Charter Schools	Kathleen Hermsmeyer	Superintendent	3	
St. Hope Public Schools	Jake Mossawir	Executive Director	2	
Stallworth Charter Schools	Gayle Stallworth	Executive Director	1	
Stockton Collegiate International	Scott Luhn	Head of School	2	
STREAM Charter School	Don Phillips	Director	1	
Summit Leadership Academy - High Desert	Randy Wormmeester	CEO	1	
Summit Public Schools	Diane Tavenner	CEO	6	
Sunrise Middle School	Teresa Robinson	Executive Director	1	
Temecula International Academy	Debra Zickafoose	President Board of Directors	1	
Temecula Preparatory School	Michael Agostini	Head of School	1	
Temecula Valley Charter School	Allen Neuenschwander	Principal	1	
The Beginning Project	Celeste Beck	Principal	1	
The Language Academy of Sacramento	Eduardo de Leon	Principal	1	
The Learner-Centered School, Inc.	Edna Heller	Co-Administrator	2	

Partner Name	CEO	Title	LEAs	
The New School of San Francisco	Emily Bobel Kilduff	Head of School	1	
The O'Farrell Charter Schools	Jonathan Dean	Superintendent/Executive Director	2	
Thomas Edison Charter Academy	Anakarita Allen	Executive Director/Superintendent	1	
Today's Fresh Start Charter School	Jeanette Parker	Superintendent	2	
Tomorrow's Leadership Collaborative Charter School	Jessica Tunney	Executive Director	1	
Trivium Academy of Classical Education	Trisha Vais	Executive Director	3	
Unity Middle College High	Erin Craig	Founding Executive Director	1	
Urban Discovery Academy Charter	Shawn Loescher	CEO	1	
Urban Montessori Charter	Krishna Feeney	Head of School	1	
Valiente College Preparatory	Dr. Esther Perez	Executive Director	1	
Vista Charter Public Schools	Don Wilson	Superintendent	2	
Vista Oaks Charter School, Inc.	Lucy Berk-Fisher	Director of Special Education	1	
Westlake Charter Schools	John Eick	Executive Director	1	
Willow Educational Foundation	Seth Feldman	Executive Director	1	
Woodland Star Charter	Jamie Lloyd	Administrator/CEO	1	
Yu Ming Charter	Sue Park	Head of School	1	
Total Number of Organizations		180	Total Number of LEAs	
			383	



Charter SELPA CEO Council 10-16-19
Fiscal Update: 2018-19 Year-End & 2019-20 Budget
Attachment 7.6

Fiscal Update

Background

CEO Council is updated on current fiscal reports for the 2018-19 year. This update covers the following information items:

- Set-Aside Risk Pool
- Funding Rates & Rate Smoothing Pool
- Low Incidence Pool
- Maintenance of Effort
- Unspent Funds

Set-Aside Risk Pool (Table 1)

2018-19

\$159K was contributed to the pool in 2018-19 (cell B2) based on ADA for new charters (charters new to the SELPA). The pool was charged with a \$22K expenditure in 2018-19 (cell B4) to settle a \$40K legal claim for a closed school. \$18K of the settlement was charged to the Legal Risk Pool. \$22K is the excess over that pool's applicable claim limit.

2019-20

Projected new charter P-2 ADA in 2019-20 is estimated to be 13,478, resulting in \$67,390 to the pool (cell C2). At this time there are no known expenditures to the Set-Aside Risk Pool. The estimated ending balance of the pool is \$787K (cell C8).

Table 1

		A	B	C
	Set Aside Risk Pool	2017-18 Final	2018-19 Final	2019-20 Projected
1	Contribution from New Charters	65,446	158,769	67,390
2	Total Revenue	\$ 65,446	\$ 158,769	\$ 67,390
3	Distressed Charters	46,539		-
4	Extraordinary Costs		22,000	
5	Total Expenditures	\$ 46,539	\$ 22,000	\$ -
6	Revenue less Expenditures	\$ 18,907	\$ 136,769	\$ 67,390
7	Beginning Balance	\$ 564,212	\$ 583,119	\$ 719,888
8	Ending Balance	\$ 583,119	\$ 719,888	\$ 787,278

Funding Rates & Rate Smoothing Pool (Table 2)

As reported at the May 2019 CEO Council meeting:

- 2017-18 deficit finished lower than projected and restoration dollars increased to \$1.11M (cell B3).
- Significant prior-year restoral dollars (2016-17 R-2) were received in the amount of \$859K (cell B4), which is the first time recertification of a fiscal year has yielded such a large amount.

As a result of this \$1.97M received as revenue to the pool, the projected \$1.1M to increase the 2018-19 rate from \$523 to \$528 was not needed (cells A6 vs. B6). In addition, due to the 2018-19 P-2 deficit coming in lower than expected, the projected \$733K from prior year will not be needed to support the announced 2019-20 budget advice of \$543 (cells C6 vs. D6).

Lowering deficit expectations for 2019-20 based on the actual deficit movements from 2018-19 means that a projected \$409K will be needed to fund the \$543 budgeted 2019-20 rate vs. the \$750K projected in May (cells C8 & D8). At this time, due to uncertainty about the state's economy, it has been assumed that there will be no restoral of the 2018-19 deficit at P-Annual in February 2020 (cell D3).

The above factors yield a projected 2019-20 ending balance in the pool of \$2.6M (Cell D11).

In February (2019-20 P-1 and 2018-19 P-Annual), we will receive additional data points to input into the multi-year model that guides state rate-setting and managing the Rate Smoothing Pool balance. Based on that analysis, SELPA will determine if a 2019-20 rate adjustment from \$543 to a higher amount (similar to the rate adjustment in February of 2019) is feasible.

Table 2

		A	B	C	D
	Rate Smoothing Pool	2018-19 Projected (May 19)	2018-19 Final	2019-20 Projected (May 19)	2019-20 Projected (Oct 19)
1	One time contribution from Legal Risk Pool	500,000	500,000		
2	Surplus Generated from Charter Member Rate	-	-	-	
3	Prior Year Deficit Restoration	1,069,457	1,111,898	732,993	-
4	Prior Prior Year Deficit Restoration		858,856		
5	Total Revenue	\$1,569,457	\$2,470,754	\$732,993	\$0
6	PY Restoration Dollars for Rate Augmentation	1,069,457		732,993	-
7	Deficit Generated from Charter Member Rate	53,766	177,123	16,560	408,561
8	Total Expenditures	\$1,123,223	\$177,123	\$749,553	\$408,561
9	Revenue less Expenditures	\$446,234	\$2,293,631	(\$16,560)	(\$408,561)
10	Beginning Balance	\$696,927	\$696,927	\$1,143,161	\$2,990,558
11	Ending Balance	\$1,143,161	\$2,990,558	\$1,126,601	\$2,581,997

Low Incidence Pool (Table 3)

2018-19

\$183K of revenue was received (cell B1). Based on timely claims filed with sufficient documentation, the final reimbursement maximum to charters was established at \$2,235/claim. We received a total of 135 claims that would have used up nearly the entire pool balance. However, only 112 claims were ultimately approved and paid totaling \$207K (cell B4). This resulted in a carryover balance of \$48K (cell B9) that will be available for use in 2019-20 for the final rate determination.

2019-20

Total 2019-20 revenue is projected to be \$217K (cell B3). The expenditure budget reflects the intent to pay out current year annual revenue in addition to the prior-year carryover (cell C4) resulting in a zero balance at year-end (cell C9).

Table 3

	A	B	C
Low Incidence	2017-18 Final	2018-19 Final	2019-20 Projected
1 Income	153,082	183,147	217,150
2 PY Pending Claims	3,000	8,620	
3 Total Revenue	\$ 156,082	\$ 191,767	\$ 217,150
4 Expenditures	92,144	207,014	265,378
5 Pending Claims	22,302		
6 Total Expenditures	\$ 114,446	\$ 207,014	\$ 265,378
7 Revenue less Expenditures	\$ 41,636	\$ (15,247)	\$ (48,228)
8 Beg Balance	\$ 21,839	\$ 63,475	\$ 48,228
9 Ending Balance	\$ 63,475	\$ 48,228	\$ -

Maintenance of Effort (MOE)

MOE is a federal grant compliance requirement. To continue to receive federal IDEA funds, each LEA must maintain the level of state/local expenditures from year to year. The annual process is driven by submission of expenditure data by charters. We are in the process of reviewing 2018-19 year-end expenditure data to compile the required MOE reports and analyze overall special education expenditures. CDE's deadline for reporting is November 15.

Unspent Funds/Funding Modification

As mentioned above, final expenditure data from partners is currently being analyzed. However, based on the data submitted thus far, fourteen charters had unspent funds in 2018-19. Only four of the fourteen had unspent funds greater than 25%. Under revised policy adopted by the CEO Council in May 2017, charters with >25% unspent funds will be placed on reimbursement funding in 2019-20.

Recommendation - None

This report is provided for information only. No action is required.



Charter SELPA CEO Council 10-16-19
Year-End Mental Health Funding Report
Attachment 7.7

Year-End Mental Health Funding Report

Background

CEO Council is updated on the Educationally Related Mental Health Services (ERMHS) budget as of the close of the previous year, and on the projections and finding of sufficiency for the following year. Per the Allocation Plan, by September 15th of each year, Charter SELPA administration will make a finding of sufficiency of Level 2 funding based on the following variables:

- Prior year ERMHS ending balance
- Projected current year ADA
- Projected current year Level 3 projected costs
- Projected current year Level 2 service counts

Based on this finding of sufficiency:

- The per mental health service reimbursement amount for Level 2 will be established between \$2,000 and \$3,000; or
- A higher amount if the prior year ending balance is sufficient to assure SELPA members of predictable funding with no shortfalls.

And, if there is an adequate finding of sufficiency of funding:

- \$100K will be available for Level 2 transportation – outside of the service cap formula; and/or
- Indirect costs will be allowed for Level 2.

Budget Update

The following pages contain cell references to the chart appearing below.

		A	B	C	D	E	F
	ERMHS Budget	2016-17 Final	2017-18 Final	2018-19 Projected (May 19) @ 100%	2018-19 Final @100%	2019-20 Projected (Sept 19)	Initial Funding Levels
1	State	8,634,623	10,460,970	13,499,489	13,194,599	13,306,831	
2	Federal	1,390,903	1,653,927	1,975,593	1,975,593	2,416,839	
3	Total Income	10,025,526	12,114,897	15,475,082	15,170,192	15,723,670	
4	Level 2	7,043,429	8,899,644	12,153,305	11,169,010	11,096,400	80%
5	Level 3 Site-Based Therapeutic	334,568	424,503	779,853	706,503	593,880	80%
6	Level 3 NPS	1,267,870	1,199,433	2,640,920	1,628,401	1,538,460	90%
7	Level 3 NPS/Residential	906,222	1,500,758	1,131,191	1,724,781	1,811,250	100%
8	SELPA Indirect	287,000	360,730	501,158	456,861	451,200	
9	Total Expenditures	9,839,089	12,385,068	17,206,427	15,685,556	15,491,190	
10	Income less Expenditures	186,437	(270,171)	(1,731,345)	(515,364)	232,480	
11	Beginning Balance	2,590,885	2,777,322	2,507,151	2,507,151	1,991,787	
12	Ending Balance	2,777,322	2,507,151	775,806	1,991,787	2,224,267	
13	Reserve % of Revenue	27.70%	20.69%	5.01%	13.13%	14.15%	

Finding of Sufficiency Analysis and Assumptions

1. 2018-19 Ending Balance Estimate

The Allocation Plan directs administration to manage annual ERMHS funding decisions toward a goal of maintaining an ending balance (reserve) in the 5% to 10% of revenue range. The 2018-19 ERMHS ending balance is \$2M (cell D12). This is \$480K above the upper reserve target of 10% of revenue, which results in a reserve level of 13% (cell D13).

2017-18 ended \$1.3M above the 10% target, which resulted in a reserve level of 21%. Each of the last three years has ended closer to the reserve target, and 2018-19 was the second consecutive year where revised budget assumptions resulted in current year expenditures exceeding current year income, resulting in a reduction in the reserve balance. The difference between submitted budgets and actual expenditures remains the primary reason for year-end reserve levels higher than target.

2. 2019-20 Projected ADA

Total SELPA ADA is expected to decrease from \$209K to \$204K in 2019-20. This results in projected state ERMHS funding of \$13.3M (cell E1). Federal funding is based on prior year ADA and therefore is projected to increase to \$2.4M (cell E2).

3. 2019-20 Projected Level 3 Costs

Referencing columns B and D, lines 5 through 7, site-based therapeutic, NPS, and NPS residential costs continue to climb. Reported final expenditures for 2018-19 were \$4M, a 27% increase over prior year. The increase is due to two primary factors:

1. The reimbursement percentage across all Level 3 categories was established at 100% in 2018-19 vs. 95% in 2017-18.
2. An increased number of total requests: 85 in 2017-18 and 107 in 2018-19.

With the total ADA for the SELPA remaining close to 2018-19, a 5% increase has been projected for each category of Level 3 expenditures. Those figures are factored down to the initial 80%-90% funding levels in column F, resulting in the budget numbers shown (cells E5 - E7).

4. 2019-20 Projected Level 2 ERMHS Service Counts

The major indicator of Level 2 costs is the ERMHS service counts. 2018-19 trend data shows that from September to December (the official count date), eligible Level 2 counts rose 9%. The September 2019 count is 6,064. Considering the prior year growth rate, the December 2019 Level 2 service count is projected to be 6,605.

5. 2019-20 Projected Level 2 Budget Requests

Based on the December 1st SEIS service count, approximately \$2,035 per eligible service was spent in 2017-18. In 2018-19, the average amount spent per service was \$2,021. For 2019-20 budgeting, a per-service cost of \$2,100 is assumed.

6. 2019-20 Projected Level 2 Expenditures

Multiplying the service count projection of 6,605 (#4 above) by the assumed \$2,100 per-service cost (#5 above) yields a total of \$13.9M in expected Level 2 expenditures. Applying an 80% reimbursement rate equates to a budget of \$11.1M for Level 2 (cell E4).

Finding of Sufficiency

Based on the foregoing analysis, SELPA administration makes a preliminary finding of sufficiency of funding for 2019-20 as follows:

- The maximum Level 2 per-service rate is held at \$3,300.
- \$100K will be available for Level 2 transportation reimbursement.
- Indirect costs will be allowed for Level 2.

Before May 2020, SELPA administration will make a finding as to the ability to fund beyond the initial 80% and 90% parameters established in the Allocation Plan. The significant variables impacting this finding will be the January 2020 Level 2 budget requests and the total of Level 3 NPS, and NPS residential budgets submitted.

Summary

Based on SELPA administration's September finding of sufficiency of funding, below is a summary of 2019-20 ERMHS funding parameters:

The Level 2 formula provides 80% of the lesser of:

- a) \$3,300 per eligible ERMHS SEIS service based on the December 1, 2019 count; or
- b) January 2020 budget request.

The lowest of the two calculated amounts above becomes the maximum Level 2 budget request, up to actual expenditures, submitted in July 2020.

\$100K is allocated for Level 2 transportation, and indirect costs for Level 2 are allowed.

Level 3 Site-Based Structured Therapeutic Program (80% funded)

Costs that may be claimed are restricted to services that are required to be performed by certificated staff. Staff may be contracted through an NPA or hired by the charter. Books and supplies may be claimed. Eligible students must meet ED eligibility criteria and be identified in SEIS with ED as primary or secondary disability. A budget request for Level 3 site-based structured therapeutic program reimbursement must be filed with the Charter SELPA by November 1.

Level 3 NPS ERMHS (90% funded)

Costs that may be claimed are the ERMHS for a student in an NPS placement. The educational costs are the responsibility of the charter member and are not reimbursed. The educational costs, however, must be reported and must be, at a minimum, equal to the charter's LCFF per ADA funding amount. Eligible students must meet ED eligibility criteria and be identified in SEIS with ED as primary or secondary disability.

Level 3 NPS Residential Room and Board (100% funded)

All criterion and reimbursement parameters applicable to non-residential placements listed above apply. Additional costs that may be claimed are the residential room and board costs for a student placed at an NPS.

Recommendation

This report is provided for information only.

Charter School Closure

A charter school may choose to close voluntarily, close involuntarily through non-renewal, or close involuntarily through revocation by their authorizing LEA. When these instances arise the LEA is required to complete closure procedures below. Additionally, there are circumstances that require an LEA's CDS code to change; in these instances the SELPA will determine if closure procedures are necessary on a case by case basis.

1. Documentation and Notice of Closure

The LEA will immediately provide the SELPA:

- a. Written notification of the school closure.
- b. A copy of the charter's closure policy contained in the most recently approved charter petition.

The LEA must send notice of its closure to the following parties/entities:

- a. Parents or guardians of students.
- b. The authorizing entity.
- c. The county office of education (if the county board of education is not the authorizing entity);
- d. The El Dorado Charter SELPA
- e. The retirement systems in which the school's employees participate.
- f. The California Department of Education.

Notification of all the parties/entities above must include at least the following:

- a. The effective date of the closure.
- b. The name(s) of and contact information for the person(s) handling inquiries regarding the closure.
- c. The students' school districts of residence.
- d. How parents or guardians may obtain copies of student records, including specific information on completed courses and credits that meet graduation requirements.

The notification and documentation requirements are not limited to the items listed above.

The Charter SELPA may require additional information from the charter as needed to ensure:

- a. Appropriate transition of special education services for students served by the charter;
- b. Compliance with state and federal laws;
- c. Compliance with state and federal funding requirements; and/or
- d. Accuracy and reliability of any data submitted to the Charter SELPA.

2. SELPA Written Notification to Closing Charter

Consistent with Education Code and CDE requirements, charter school closure procedures must include plans for transfer and maintenance of school and student records, including any special education records, filing of expenditure and other fiscal reports, and completion of a final audit. After receiving notification of an LEA closure, the Charter SELPA will, in writing:

- a. Remind the charter of its closure obligations;
- b. Request from the charter information necessary to process the closure internally; and

- c. Notify the charter of any action deemed necessary to minimize financial loss to the Charter SELPA.

3. Financial Closeout

If there are no funding restrictions in place, upon determination of satisfactory completion of items outlined in the required written notification from the Charter SELPA, any amounts owed to the charter may be released. The required written notification from the Charter SELPA will state that, because of the timing of the annual audit and SELPA receipt of federal funds, final funds may not be released for up to eight months after the charter has closed.

The Charter SELPA may release ERMHS funds before the final charter audit is issued if all program and fiscal documentation is on file as required by the Charter SELPA and there are no conditions that would cause the Charter SELPA to be concerned about the reliability of data submitted.

In the event of a bankruptcy, the release of funds may be impacted by the direction of the courts.

If the Charter SELPA makes a finding that it would not release any final amounts owing to the charter, that finding will be disclosed to the Executive Committee.

4. Release of Claims

When an LEA closes, the LEA forever releases and discharges the Charter SELPA and its past and present principals, members, partners, officers, directors, affiliate employees, agents, successors, assigns, attorneys and insurers, collectively with the Charter SELPA, from any and all claims arising out of the operations of the LEA. Accordingly, the closing LEA shall promptly withdraw and/or cause to be filed dismissals with prejudice of all applications, requests, reports, complaints, or appeals, if any, filed or made as to any such claims.

Consistent with the release language above, closure of an LEA terminates the ability for the LEA and associated entities affiliated with the LEA to submit claims to any funding or to any Charter SELPA Risk Pool (e.g. Legal Risk Pool, SELPA Set Aside, Rate Smoothing Pool, etc.) effective the date of the LEA closure and/or termination of membership pursuant to CEO Policy 26. Termination of the ability to submit funding and SELPA Risk Pool claims may be suspended for an Organization Partner with LEAs that will continue as Charter SELPA members.

Legal References:

EDUCATION CODE

47604.32

47605

47605.6

47607

CALIFORNIA CODE OF REGULATIONS, TITLE 5 (5 CCR) 11962
11962.1

Charter School ~~At Risk and~~ Closure

~~CHARTER SCHOOL AT RISK~~

~~If matters arise that could potentially cause a loss to the SELPA or there is a concern that funds are not being spent appropriately for special education, Charter SELPA administration may make a determination to:~~

- ~~• withhold state and federal funding; or~~
- ~~• move an LEA to reimbursement based state funding, requiring expenditure reporting prior to cash distribution; and/or~~
- ~~• require an LEA to submit proof of actual expenditures.~~

~~Potential such matters include, but are not limited to:~~

- ~~• Notice of revocation~~
- ~~• Notice of bankruptcy~~
- ~~• FCMAT extraordinary audit~~
- ~~• Annual audit with material findings and identification of operational issues that cause concern regarding the long term viability of the organization.~~
- ~~• Other circumstances that create a concern that a loss to the SELPA is possible or funds are not being spent appropriately for special education.~~

~~Charter SELPA administration may make a determination to exclude a charter from federal funding eligibility if matters come to their attention that cause them to believe compliance requirements of CDE or the federal grant itself may be violated by doing so.~~

~~The charter may appeal the determination made pursuant to this policy to the Charter SELPA Appeals Committee.~~^[RS1]

~~CHARTER SCHOOL CLOSURE~~

A charter school may choose to close voluntarily, close involuntarily through non-renewal, ~~or~~ or close involuntarily through revocation by their authorizing LEA. When these instances arise the LEA is required to complete closure procedures below. Additionally, there are circumstances that require an LEA's where a charter school's CDS code changes from the previous year CDS code to change; in these instances the SELPA will determine if closure procedures are necessary on a case by case basis. , even though this may not mean the charter has closed operations. Whenever there is a change to a CDS code, the Charter SELPA and LEA are required to complete the following closure procedures.

- ~~▪ Each Charter SELPA LEA must provide the SELPA with a copy of the charter's closure policy, contained in the most recently approved charter petition.~~
- ~~▪ A Charter SELPA LEA must notify the SELPA immediately of a closure or CDS code change for any~~

~~reason.~~

1. ~~1~~-Documentation and Notice of Closure

The LEA will immediately provide the SELPA:

- a. ~~w~~Written notification of the school closure. ~~or CDS code change~~
- b. ~~A~~ copy of the charter's closure policy, contained in the most recently approved charter petition.

A~~The Charter SELPA LEA~~LEA must send notice of its closure to the following parties/entities:

- a. Parents or guardians of students.
- b. The authorizing entity.
- c. The county office of education (if the county board of education is not the authorizing entity);
- d. The El Dorado Charter SELPA
- e. The retirement systems in which the school's employees participate.
- f. The California Department of Education.

Notification of all the parties/entities above must include at least the following:

- a. The effective date of the closure.
- b. The name(s) of and contact information for the person(s) handling inquiries regarding the closure.
- c. The students' school districts of residence.
- d. How parents or guardians may obtain copies of student records, including specific information n ~~n~~ on completed courses and credits that meet graduation requirements.

The notification and documentation requirements are not limited to the items listed above.

The Charter SELPA may require additional information from the charter as needed to ensure:

- ♦ a. ~~a~~Appropriate transition of special education services for students served by the charter;
- ♦ b. ~~C~~ompliance with state and federal laws;
- ♦ c. ~~C~~ompliance with state and federal funding requirements; and/or
- ♦ d. ~~the a~~Accuracy and reliability of any data submitted to the Charter SELPA .

2. ~~2~~-SELPA Written Notification to Closing Charter

Consistent with Education Code and CDE requirements, charter school closure procedures must include plans for transfer and maintenance of school and student records, including any special education records, filing of expenditure and other fiscal reports, and completion of a final audit. After receiving notification of an n ~~Charter SELPA LEA~~LEA closure, the Charter SELPA will, in writing:

- ♦ a. ~~R~~emind the charter of its closure obligations;
- ♦ b. ~~R~~request from the charter information necessary to process the closure internally; and
- c. ~~N~~otify the charter of any action deemed necessary to minimize financial loss to the Charter SELPA.

♦3. Financial Closeout

~~3. Financial Closeout~~

If there are no funding restrictions in place, upon determination of satisfactory completion of items outlined in the required written notification from the Charter SELPA, any amounts owed to the charter may be released. The required written notification from the Charter SELPA will state that, because of the timing of the annual audit and SELPA receipt of federal funds, final funds may not be released for up to eight months after the charter has closed.

The Charter SELPA may release ERMHS funds before the final charter audit is issued if all program and fiscal documentation is on file as required by the Charter SELPA and there are no conditions that would cause the Charter SELPA to be concerned about the reliability of data submitted.

In the event of a bankruptcy, the release of funds may be impacted by the direction of the courts.

If the Charter SELPA makes a finding that it would not release any final amounts owing to the charter, that finding will be disclosed to the Executive Committee.

~~4. Release of Claims~~

When an ~~an Charter SELPA LEA~~ closes, the LEA forever releases and discharges the Charter SELPA and its past and present principals, members, partners, officers, directors, affiliates employees, agents, successors, assigns, attorneys and insurers, collectively with the Charter SELPA, from any and all claims arising out of the operations of the LEA. Accordingly, the closing ~~Charter SELPA LEA~~ shall promptly withdraw and/or cause to be filed dismissals with prejudice of all applications, requests, reports, complaints, or appeals, if any, filed or made as to any such claims.

Consistent with the release language above, closure of an ~~an Charter SELPA LEA~~ terminates the ability for the LEA and associated entities affiliated with the LEA to submit claims to any funding or to any Charter SELPA Risk Pool (e.g. Legal Risk Pool, SELPA Set Aside, Rate Smoothing Pool, etc.) effective the date of the LEA closure and/or termination of membership^[RS2] pursuant to CEO Policy ##26.

Termination of the ability to submit funding and SELPA Risk Pool claims may be suspended for an Organization~~a~~ Partner with LEAs that will continue as Charter SELPA members.

Legal References:

EDUCATION CODE

47604.32

47605

47605.6

47607

CALIFORNIA CODE OF REGULATIONS, TITLE 5 (5 CCR) 11962

11962.1



SELPA OVERSIGHT

The Charter SELPA is responsible for monitoring all required areas of compliance with federal, state and Charter SELPA policies. The purpose of all monitoring and oversight activities is to ensure legal and effective LEA practices are in place to meet the needs of students with disabilities. This policy outlines areas of oversight and indicators that may cause the initiation of a Charter SELPA review process. Charter SELPA administration will keep the CEO Council informed of SELPA oversight activities and determinations.

If compliance, performance and/or student population data for an LEA in the Charter SELPA varies significantly from expected results or standards, it may be an early warning for the Charter SELPA to initiate contact. In this case, the Charter SELPA will contact the LEA to confirm the data, discuss any underlying issues which may impact the data, and identify how the Charter SELPA can assist the LEA in any necessary corrective action.

The Charter SELPA will monitor special education practices and data continuously to determine whether practices are in line with the LEA's responsibilities to students with disabilities and SELPA policies. Data will be collected and reviewed by the Charter SELPA. Examples of existing indicators and standards include but are not limited to:

- Identification rate of special education students that is below 4% or greater than 14%
- State Performance Plan Indicators
- Significant swings in enrollment and/or enrollment trends that are not aligned to the LEA's instructional calendar
- Pattern of compliance complaints or due process hearings
- Evidence of exclusionary practices
- Significant and/or abrupt change in leadership or staff
- No/low participation or engagement in the Charter SELPA (CEO Council, Steering Committee, professional development offerings, etc.)
- Unspent funds greater than 25%
- Annual independent audit which shows serious fiscal solvency issues or material findings (e.g. findings related to internal control or program compliance, high debt ratios, deficit spending, going concern findings, adequate reserves, and adequate cash)

SELPA REVIEW PROCESS

If one or more of the preceding triggers indicates a potential problem, the Charter SELPA may initiate a program and/or fiscal review. Program and fiscal reviews are facilitated by the appropriate Charter SELPA administrator. Charter SELPA's goal in each review process is to clearly identify the areas of SELPA concern, discuss any underlying issues which may be impacting the findings, and identify how the Charter SELPA can assist the LEA in any necessary corrective action. The Charter SELPA may request additional information as necessary to resolve identified concerns.



When multiple or connected concerns exist, the Charter SELPA may implement an Integrated Review Team (IRT) visit. An Integrated Review Team (IRT) visit consists of Charter SELPA program and business administrators meeting directly with the charter LEA leadership team.

CHARTER SCHOOLS AT-RISK

Whether through a Charter SELPA review process or other source, or if significant matters arise that are potentially harmful to students, demonstrate negligence, may harm the SELPA, or there is a concern that funds are not being spent appropriately for special education, Charter SELPA administration is empowered to act in the best interests of the SELPA as a whole. Such matters include, but are not limited to:

- Pattern of noncompliance with federal, state or Charter SELPA regulations
- Notice of revocation
- Notice of bankruptcy
- FCMAT extraordinary audit
- Annual audit with material findings and identification of operational issues that cause concern regarding the long-term viability of the organization
- Other circumstances that create a concern that a loss to the SELPA is possible or funds are not being spent appropriately for special education

Charter SELPA administration may make a determination and proceed to:

- Notify appropriate public agencies;
- Withhold state and/or federal funding;
- Move an LEA to reimbursement-based state funding, requiring expenditure reporting prior to cash distribution;
- Require an LEA to submit proof of actual expenditures; and/or
- Initiate termination of membership pursuant to CEO Policy 26.



State Special Education Funding - PS/RS Rate

Issue

Each SELPA in California receives a small portion of total state funding on a per-ADA basis to support SELPA Program Specialist/Regionalized Services (PS/RS rate). When AB 602 was passed, the PS/RS dollars were a separate funding stream from the pass-through dollars directed to SELPA member LEAs. In 2013-14, the PS/RS rate was rolled into the base rate by the legislature. CEO Council took action at that time to break out and continue to administer the PS/RS rate as a separate operational funding stream to the Charter SELPA. In 2018-19, another legislative change separated the PS/RS rate once again. Therefore, Allocation Plan language needs to be updated to reflect this change.

Recommendation

In order to align the Allocation Plan to the current state funding model, it is recommended that the CEO Council approve the following language changes:

1. STATE SPECIAL EDUCATION FUNDING

Funding Definition

The Charter SELPA receives state special education funding based on the statewide average target rate multiplied by current year P-2 ADA. P-2 ADA is defined as cumulative attendance divided by days operated, as of the first school month ending on or before April 15. A Cost of Living Adjustment (COLA) may or may not be provided annually, depending upon legislative budget action. This funding from the state is variable may also be impacted by application of a deficit factor. (see Element 3 Rate/Smoothing Pool) as a result of an ongoing state deficit that ranges from 2% to 3%.

State Aid - Charter SELPA Funding Formula

The Charter SELPA funds each LEA member based on current year P-2 ADA.

The SELPA is funded on the statewide average target rate per ADA. In addition, From that rate, the SELPA receives a small portion per ADA for SELPA Program Specialist/Regionalized Services (PS/RS rate). This Should this funding source was ever be rolled into the base rate by legislative action, CEO Council action would be required to in 2013-14. CEO Council took action to continue to treat the PS/RS rate as a separate operational funding stream to the Charter SELPA.

These rates are adjusted each year for a pro-rated share of by any COLA applied to the rate. The full Charter Member Rate (no deficit applied) is the result of deducting the PS/RS rate from the statewide average rate. Deficit assumptions are then applied to arrive at an adjusted PS/RS rate and adjusted Charter Member Rate.

Charter SELPA administration is responsible for setting the Charter Member Rate each year to account for the budgetary impact of any deficit and maintain a consistent level of funding from year to year (see Element 3/ Rate-Smoothing Pool). In order to calculate an individual charter's funding rate, the adjusted Charter Member Rate is further adjusted by the unique charter member administrative fee and Year 1 contribution to for first year charters, the one-time Set-Aside Risk Pool contribution (see Element 5/Charter SELPA Administrative Fee). as defined further in the Allocation Plan.



1. STATE SPECIAL EDUCATION FUNDING

Funding Definition

The Charter SELPA receives state special education funding based on the statewide target rate multiplied by current year P-2 ADA. P-2 ADA is defined as cumulative attendance divided by days operated, as of the first school month ending on or before April 15. A Cost of Living Adjustment (COLA) may or may not be provided annually, depending upon legislative budget action. This funding from the state may also be impacted by application of a deficit factor. (see Element 3 Rate/Smoothing Pool)

State Aid - Charter SELPA Funding Formula

The Charter SELPA funds each LEA member based on current year P-2 ADA.

The SELPA is funded on the statewide target rate per ADA. In addition, the SELPA receives a small portion per ADA for SELPA Program Specialist/Regionalized Services (PS/RS rate). Should this funding source ever be rolled into the base rate by legislative action, CEO Council action would be required to continue to treat the PS/RS rate as a separate operational funding stream to the Charter SELPA. These rates are adjusted each year by any COLA applied to the rate.

Charter SELPA administration is responsible for setting the Charter Member Rate each year to account for the budgetary impact of any deficit and maintain a consistent level of funding from year to year (see Element 3/ Rate-Smoothing Pool). In order to calculate an individual charter's funding rate, the Charter Member Rate is adjusted by the unique charter member administrative fee and for first year charters, the one-time Set-Aside Risk Pool contribution (see Element 5/Charter SELPA Administrative Fee).



Federal Special Education Funding

Issue

Recent, unprecedented events have highlighted the need for providing flexibility regarding the distribution of federal revenue. A few months ago, scrutiny over a statewide charter operator resulted in criminal charges, the arrest of charter school operators and receivership over all bank accounts associated with this network of schools. CDE has been challenged in addressing the many areas of accountability implicated by the situation.

Receipt of federal revenue triggers compliance requirements. Meeting annual federal funding compliance rules is required of each participating SELPA partner and at a SELPA level. Funding must be forfeited if these requirements are not met. Additionally, CDE, as the sub-grantee of the federal IDEA grant to California, has strict requirements placed on them by the federal government.

To support CDE in the challenges it faces in the wake of this unfortunate circumstance, SELPA administration reached out to CDE's federal funding group. They were strongly supportive of withholding federal revenue from the schools associated with the indictments, thereby eliminating any potential federal compliance challenges for the SELPA and for the state arising from this situation.

Recommendation

In order to provide the flexibility necessary to address extraordinary cases that could involve federal compliance requirements, the following addition to the Allocation Plan is recommended.

2. FEDERAL SPECIAL EDUCATION FUNDING

Federal Grant Compliance

Charter SELPA administration may make a determination to exclude a charter from federal funding eligibility if matters come to their attention that cause them to believe compliance requirements of CDE or the federal grant itself may be violated by doing so.



Legal Risk Pool

Issue

Revenue sources for the pool are based on partners not spending revenue (unspent funds) and infrequent occurrences (e.g. mid-year school closures/bankruptcies). The sources have been variable over time. In addition, as partners build capacity and oversight mechanisms continue to be strengthened, revenue from these sources is expected to diminish relative to the total student/family population of the SELPA. Total claims were relatively steady for four years but have increased dramatically over the past two years. Given the balance in the pool, alternatives must be examined. At the same time, the special education funding and accountability landscape is uncertain. We expect that there will be some indication on the legislative direction included in the January proposed budget. Taking short term action to ensure the viability of the pool in 2019-20 would allow time for updated special education funding information to be incorporated into the exploration of pool alternatives by the Executive Committee in the current year.

Background

The CEO Council established the Legal Risk Pool in 2013-14. Current funding for the pool comes from two sources:

1. Funding from Charter SELPA partners in the process of building programs that are not yet able to fully expend the allocation of state dollars (greater than 25% unspent).
2. Funding from Charter SELPA partners that close operations but fail to submit documentation allowing for release of state funds being held.

Reimbursement from the pool is limited to legal fees incurred in conjunction with a case involving a due process filing. Currently, 60% of legal fees are reimbursable up to a maximum claim of \$30,000, which translates into a maximum reimbursement amount of \$18,000 (60% of \$30,000).

Budget Update

A table showing historical trends and 2019-20 projections appears on the next page.

2018-19

Total 2018-19 revenue to the pool was \$327K (cell F6) consisting of:

- \$262,579 (cell F2) from two schools' unspent funds from prior years;
- \$26,862 (cell F3) from forfeited funds due to closed schools; and
- \$37,559 (cell F4) for adjusted prior-year awards.

Total awards rose to 57 in 2018-19. The average claim paid held steady at \$6,300 per claim. Total claims for 2018-19 were \$384K (cell F7). At the May 2018 meeting, CEO Council approved a transfer of \$500K from the Legal Risk Pool to the Rate Smoothing Pool for 2018-19 (cell F8).

2019-20

Projected revenue to the pool in 2019-20 is \$167K (cell G2) consisting of unspent funds from two partner schools. Due to generally flat growth of Charter SELPA partners it is projected that total claims and costs

will be in-line with 2018-19, \$400K (cell G9). This yields a budgeted ending balance of \$108K (cell G12) for 2019-20.

		A	B	C	E	F	G
	Charter SELPA Legal Risk Pool	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20 Projected
1	One Time Contribution						
2	Transfer from Other Pools	298,275	146,354	222,405	111,371	262,579	166,996
3	Forfeited State Funds	4,734	(30,406)	850,872	5,189	26,862	
4	Cancelled PY Pending Awards					37,559	
5	PY Adjustments to Pool	(2,426)					
6	Total Revenue	300,583	115,948	1,073,277	116,560	327,000	\$ 166,996
7	Total Awards	79,976	44,121	85,544	363,841	384,019	400,000
8	Contribution to Other Pools	448,435		218,685		500,000	
9	Total Expenditures	528,411	44,121	304,229	363,841	884,019	\$ 400,000
10	Income Less Expenditures	(227,828)	71,827	769,048	(247,281)	(557,019)	\$ (233,004)
11	Beginning Balance	532,183	304,355	376,182	1,145,230	897,949	\$ 340,930
12	Ending Balance	304,355	376,182	1,145,230	897,949	340,930	\$ 107,926

Analysis

An ending balance of \$108K going into 2020-21 would not be sufficient to cover another year of claims. Current realities:

- The two revenue sources to the pool (unspent funds and unclaimed funding) are essentially the only way to fund the Legal Risk Pool without reducing revenue to SELPA partners in some fashion.
- The average claim amount over the past two years is only 33% of the \$18,000 maximum at \$6,300. Therefore, even cutting in half the maximum allowed, it would do little to preserve the pool.
- With revenue and the maximum claim amount eliminated as immediate alternatives to preserve the pool, the only remaining parameter to alter is the 60% reimbursement percentage.

Recommendation

It is recommended that short term action be taken to ensure the Legal Risk Pool's viability for the current year by recommending to CEO Council a reduction in the reimbursement percentage for 2019-20 to 50%. This will ensure sufficient resources to pay current year claims and allow time for:

- Anticipated changes to the state special education funding model to become clearer; and
- Working with Executive Committee on how to potentially restructure or eliminate the pool beginning in 2020-21.