



EL DORADO

CHARTERSELPA

Fiscal Update



February 2020

The SELPA offices will be closed February 10, 2020 and February 17, 2020

2019-20 State & Federal Budget Advice

- 19-20 State Rate = **\$543.00** per 2019-20 P-2 ADA (before admin fee & set-aside for new charters)
- 19-20 Federal Rate = **\$125.00** per 2018-19 Enrollment/CBEDS (before admin fee)

2019-20 P-1 Certification

CDE will release the P-1 attendance certification on February 20, 2020. Due to the timing of the certification, February disbursements will be released on March 6, 2020. These disbursements will include the first state revenue for schools new to the SELPA, calculated on their P-1 ADA. Updated Funding Details and Cash Flow documents will be posted to the [SELPA business webpage](#) on the website concurrent with payment processing. The March Fiscal Update will include links to these documents.

2019-20 Maintenance of Effort (MOE) Pre-Test

The 2019-20 Maintenance of Effort (MOE) Pre-Test will be released and due in March. **All SELPA members must complete this report**, regardless of whether federal funding is expected in 2019-20. The pre-test is not only a means to evaluate whether federal MOE requirements will be met before the window to make adjustments passes, but also an opportunity to analyze overall special education spending from all revenue sources prior to year-end. In conjunction with completing the pre-test, we recommend that our partners who were required to pass the MOE last year review their 2018-19 Actual-to-Actual and Actual-to-Budget submissions, which may be viewed in the [Fiscal Portal](#). The SELPA will make the 2019-20 MOE Pre-Test template available the first week of March and will provide detailed instructions in the March Fiscal Update.

2019-20 Mental Health Funding

ERMHS Level 2

ERMHS Level 2 Budget Requests were due January 15, 2020, and are currently being analyzed. The submitted budgets establish one component of the formula that determines 2019-20 Level 2 ERMHS funding eligibility for each SELPA partner. The initial funding formula for this year is 80% of the lesser of: 1) \$3,300 x December 1, 2019 Service Count, or 2) Level 2 budget request. 50% of the amount established by this formula will be paid to each participating SELPA partner at the end of February. At the end of the year, actual expenditures will be submitted and compared to the funding eligibility amount and a final revenue payment will be made.

For example, Partner A:

- Had 15 eligible mental health services in SEIS on December 1, 2019 ($15 * \$3,300 = \$49,500$).
- Submitted a Level 2 budget totaling \$45,000, which included only qualified ERMHS expenditures and was reasonable given the 15 services.
- Level 2 funding eligibility = \$45,000 (lesser of \$49,500 and \$45,000).
- 80% of funding eligibility = \$36,000 (80% of \$45,000).
- First revenue payment in February = \$18,000 ($\$36,000 * 50\%$).

ERMHS Level 3

For all Level 3 categories, students must be identified in SEIS with ED as a primary or secondary disability.

Level 3 Site Based Structured Therapeutic Program - 80% funded

- An Annual Mental Health Plan AND budget request for Level 3 site based structured therapeutic program reimbursement must have been filed via the [Fiscal Portal](#) by November 1, 2019.

Level 3 NPS ERMHS*- 90% funded

- Eligible ERMHS expenditures only. Educational costs are the responsibility of the charter member.

Level 3 NPS Residential Room and Board*- 100% funded

- Expenditure reporting triggers reimbursement.

*Throughout the year, there are four available expenditure reporting windows for Level 3 NPS and NPS residential placements. The next expenditure reporting is due April 21, 2020.

The final reimbursement percentages for ERMHS Level 2 and Level 3 are determined by the final finding of sufficiency required by May 2020 per the Allocation Plan. We anticipate this will be completed and announced in March 2020.

Low Incidence And Legal Risk Pool

For Low Incidence and Legal Risk Pool reimbursements, please submit claims as soon as you are aware of them. There is no need to wait until you have actually incurred the expenditure. The sooner we are aware of claims, the better we are able to finalize claims and manage the overall budget. The [Fiscal Portal](#) is available now for claim submissions. Additional information on the [Low Incidence Guidelines](#) and the [Legal Risk Pool Guidelines](#) are available on the [Charter SELPA website](#).

Governor's 2020-21 Budget Proposal

Governor Newsom's second proposed budget, released in January 2020, contains significant special education funding increases. He has estimated the COLA at 2.29% and proposed a 15% increase in base funding, which is estimated to increase the rate to our SELPA by nearly \$100/ADA. The proposal includes calculating ADA for funding on a three-year rolling average. Currently, our SELPA is funded on the current year ADA. Given the steady growth of the SELPA, this proposal would likely lead to a lower ADA count than the current methodology.

Furthering his platform on improving outcomes for California's students with an emphasis on early intervention, the governor proposes a new Department of Early Childhood Development under the Health & Human Services Agency. He also laid out a multi-year plan to continue his analysis of SELPA governance and accountability, and investigation of a revised special education funding model to support equity, more inclusive practices, and early intervention.

The legislative wrangling is underway, moving toward Governor Newsom's May 2020 revise and the final June 2020 budget. We will certainly report on these conversations as they develop.

Important Upcoming Dates

- **2/10/2020** – SELPA Office Closed
- **2/17/2020** – SELPA Office Closed
- **2/28/2020** – Level 2 ERMHS 50% Payments
- **3/6/2020** – February State Payments
- **3/20/2020** – MOE Pre-Test Due

Handy Links

- [2019-20 Funding Detail](#)
- [2019-20 State Cash Flow Projection](#)
- [2019-20 Federal Cash Flow Projection](#)
- [2019-20 Admin Fee Rates](#)
- [2019-20 Fiscal Calendar](#)
- [Fiscal Portal](#)