



EL DORADO
CHARTERSELPA
Fiscal Update



May 2020

2019-20 State & Federal Budget Advice

- 19-20 Charter Member Rate (State) = **\$538.00** per 2019-20 P-2 ADA (before admin fee & set-aside for new charters).
- 19-20 Federal Rate = Increase to **\$133.09** per 2018-19 Enrollment/CBEDS (before admin fee).

2020-21 Budgeting Tools

The SELPA has developed a [Multi-Year What-If tool](#) to assist with this year's challenging multi-year budgeting task. This spreadsheet calculates state special education revenue for 2020-21 and the two following years, based on assumptions entered for multiple variables. The variables your team controls to develop scenarios are:

1. Statewide Target Rate (STR)
2. COLA
3. Special education funding deficit
4. Enrollment growth
5. ADA growth
6. Rolling vs. current year ADA

You can find the [Multi-Year What-If tool](#) under the "Budgeting Resources" tab in the "Special Education Base Funding (AB 602)" section of the Charter SELPA Business Page. It is linked to SELPA data sources and includes data for existing partners as well as charters approved for membership in 2020-21. After selecting your school from a dropdown list, it will populate data for 2020-21 projected P-2 ADA, prior year enrollment, and your school's 2020-21 administrative fee rate. After entering "what-if" assumption values for the variables listed above, total revenue and monthly cash flow projections are calculated.

Another budgeting tool, available in the Fiscal Portal, facilitates evaluating the impact of user-defined expenditure scenarios on federal Maintenance of Effort (MOE) testing. The [MOE Forecasting template](#) is a blank copy of the live MOE template. It allows a user to enter current and comparison year data and view the MOE testing results generated from the entered data.



2020-21 State Budget Scenarios

The pandemic-driven recession is official. The 2020-21 budget COLA is finalized at 2.31%. Several industry experts have issued cautions and advice about the significance of the recession’s impact on the state budget. Against this backdrop, we have constructed three special education revenue scenarios for 2020-21 to support your internal budgeting efforts.

- The consensus is that the Governor’s January proposal to increase the SELPA STR from \$557/ADA to \$660/ADA is off the table.
- Unclear at this time is the status of two other elements of the January special education proposal, and the Governor’s May revise could include one, both or neither:
 - The elimination of the special education deficit as a result of retiring the AB 602 language in the Education Code; and
 - Using a 3-year rolling average of ADA for each LEA in a SELPA for the funding calculation.
- Given the potential state-level impact on Federal Maintenance of Effort, we are assuming that a reduction in 2020-21 state funding (i.e., lowering the STR) is very unlikely.

The three scenarios are summarized below. For each, complete Funding Detail and Cash Projections are posted to the website.

	Worst	Middle	Best
2019-20 STR	\$ 557.27	\$ 557.27	\$ 557.27
Funding Cut	-2.0%	0.0%	0.0%
COLA	0.00%	0.00%	2.31%
SpEd Deficit	-3.0%	-2.0%	-1.0%
Charter Member Rate	\$ 530	\$ 546	\$ 564
ADA Calculation Method	Rolling 3-yr	Rolling 3-yr	Current Year

The 2020-21 Advance Principal Apportionment from CDE will establish the SELPA’s monthly state funding amount for July 2020 through January 2021. The Advance Principal Apportionment, normally certified in July, will determine actual cash distributions for the first half of the fiscal year.

2020-21 Federal Budget Advice

Given that no legislative actions at the national level have been approved that would provide additional IDEA funding, the initial 2020-21 budget advice for the SELPA federal rate is unchanged.

- 2020-21 Federal Rate = **\$125.00** per 2019-20 Enrollment/CBEDS (before admin fee)



2020-21 Administrative Fees

The 2020-21 Administrative Fee rate for each Charter SELPA partner is posted to the website (see "Handy Links" below). As a reminder, beginning 2019-20, the Administrative Fee schedule in the Allocation Plan was reduced. The table below captures these reductions for partners in good standing with the SELPA.

	Year 1	Year 2	Year 3	Year 5
2019-20 and beyond	5.5%	4.5%	3.5%	3.0%
Prior to 2019-20	6.0%	5.0%	4.0%	4.0%

2019-20 Federal Revenue Update

The SELPA has received the 2019-20 grant award notice from CDE. After factoring in funds from partners that have opted out of federal funding and partners disqualified from receiving it, the final federal rate for 2019-20 is \$133.09.

We are currently compiling expense reports to submit to the CDE for the period from July 2019 through March 2020. Per CDE, we should expect to receive funds within six weeks after they receive the expenditure report, though it has recently taken several months.

As a reminder, because no prior year enrollment count exists upon which to base the funding, charters in the first year of operation are not included in CDE's grant calculation and therefore cannot not receive federal revenue.

2019-20 Mental Health Funding

Funding Determination

As of the March funding determination, all funding levels will remain:

- Level 2: 80% of the lesser of the Preliminary Funding (\$3300 x December 1 SEIS mental health service count OR actual budget) or the final actual expenditures
- Level 3 Site Based: 80% of approved budget request or final actual expenditures
- Level 3 NPS: 90% of approved budget request or final actual expenditures
- Level 3 Residential: 100% of approved budget request or final actual expenditures

ERMHS Level 3

Throughout the year, there are four available expenditure reporting windows for Level 3 NPS and NPS/Residential placements. The final expenditure reporting is due July 13, 2020.

Low Incidence and Legal Risk Pool



Low Incidence claims were due May 1, 2020. If you have an incomplete claim, you have until July 13, 2020 to submit your back up documentation. We will be reviewing claims as quickly as possible and following up with any questions. Your prompt attention will ensure a cash payment in the current year and avoid the need to record and track an accrual on your books.

Legal Risk Pool claims were also due May 1, 2020 for all existing Due Process claims. However, the Legal Risk Pool request will remain open until June 30, 2020 for those Due Process claims filed after May 1. As soon as you become aware of a Due Process claim, please begin your Legal Risk Pool request with estimated expenses and hit the "Save" Button. Please note that the Due Process action should be resolved by June 30, 2020 to be considered a 2019-20 claim.

The [Fiscal Portal](#) is open for claim submissions, and back up documentation uploads. Additional information is available in the [Low Incidence Guidelines](#) and [Legal Risk Pool Guidelines](#).

SB 117

The state's expectation of charter schools receiving SB 117's COVID-19 related funding protection is that LEA employees and contractors continue to be paid. This expectation is framed as doing what is necessary to ensure that an LEA's educational infrastructure can be preserved throughout the pandemic closures. Although there is no specific definition of "contractor" in the legislation, certainly NPAs and NPSs currently serving students are included. Specifics about continued payments based on individual student and provider circumstances are decisions that must be made by your school. We hope you find this [Summary of Guidance](#) helpful in making these decisions.

Fiscal Workshop

The April 28, 2020 Year End Fiscal Workshop was recorded for Charter SELPA partners. The recorded webinar and presentation are now available in the "Business Meetings and Professional Learning Opportunities" section of the [Charter SELPA Business webpage](#). Also, an email was sent on April 30, 2020 with a link to the resources and a [workshop survey](#). If you attended, we would appreciate your feedback to assist us in improving future meetings.

Important Upcoming Dates

6/9/20 – Fiscal Committee Meeting (Webinar)

7/13/20 – Final 2019-20 Expenditure Reports Due (Federal, ERMHS, Low Incidence, Legal Risk)



Handy Links

- [Fiscal Portal](#)

2019-20

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

2020-21

- [Funding Detail](#)
- [State Cash Flow Projection](#)
- [Federal Cash Flow Projection](#)
- [Admin Fee Rates](#)

