



EL DORADO

CHARTERSELVA

Fiscal Update



July 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/Fall 1 (before admin fee)

June 2020 allocations have been deferred to July. We are anticipating the June deferral to be paid at the end of July.

Final Expenditure Reporting Due: July 13

The following expenditure reports are currently open for submission:

- [Final Federal Expenditure Report #3](#): Report all federal expenditures for the 2019-20 year. You must fully expend your federal funds to receive them as carryover of federal funds is not allowed.
- [Final ERMHS Level 2 Expenditure Report](#): Report all expenditures related to eligible ERMHS Level 2 services. As a reminder, only direct service time for allowed services as per the IEP are eligible for reimbursement. Your Final Funding will be the lesser of your Preliminary Funding from your approved Budget Request or final expenditures.
- [Final ERMHS Level 3 Site Based Expenditure Report](#): Report all expenditures related to eligible ERMHS Level 3 Site-Based services as approved in your Budget Request.
- [Final ERMHS Level 3 NPS/Residential Expenditure Report](#): Report all approved expenditures related to the approved ERMHS Level 3 Budget Request. Please note that you will need to report the final date of placement *even for students that will be continuing in their placement in the following year*. You can use an end date of 6/30/20 for those students.

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 (\$3,300 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

Low Incidence

Low Incidence claims were due May 1, 2020. With all claims in, the final reimbursement amount has been set at \$2,470. 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 is appreciated as we work to wrap these up for the 2019-20 year. Refer to the [Low Incidence Guidelines](#) for further information.

Legal Risk Pool

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. Please note that at the May CEO Council meeting, a decision was made to suspend the Legal Risk Pool at the close of 2019-20 and transfer any remaining balance to the Set-Aside Risk Pool. **Therefore, only validated expenditures ([Legal Risk Pool Guidelines](#)) through June 30, 2020, and submitted by July 13, 2020, are eligible for reimbursement.**

The [Fiscal Portal](#) is open for Legal Risk Pool claim submissions, and Low Incidence back-up documentation uploads.

2020-21 Budget Information

State Funding

The final 2020–21 State Budget provides for a \$625/ADA statewide target rate (STR) for special education, which moves the STR to the 94th percentile of SELPA rates across the state. SELPAs currently funded above that level will retain their current rate with no COLA. It appears from trailer bill language that the LEA-level 3-year rolling average ADA calculation was rejected. Instead, SELPA funding will be based on overall SELPA ADA for the current year, prior year, or second prior year, whichever is greatest. Updated budget

and cash flow information for 2020-21 has been posted to the website.

In addition, there will be a \$100 million boost to low incidence funding, significantly increasing the per-low-incidence-student rate from \approx \$446 to \approx \$2,500. The count of low incidence students used to determine annual funding for each SELPA will be frozen; 2019-20 counts will be used going forward.

Flexibility is provided for the expenditure of educationally related mental health services (ERMHS) funds. Trailer bill language states that ERMHS funds shall be available for all mental health-related services, including those not necessarily required by IDEA, which would indicate expenditure on behavior services in addition to mental health services would be authorized. The student count used to determine annual mental health funding for the SELPA will be frozen going forward. We assume that to mean 2019-20 P2 ADA.

Nearly \$5 billion of federal funds (mostly Coronavirus Relief Funds) and about \$540 million of state General Funds is allocated to LEAs through several different formulas. Although not restricted special education revenue, about \$1.5 billion of these funds will be allocated based on 2019-20 special education pupil counts.

The budget places a two-year moratorium on the creation of any new single district SELPA. This provision and freezing the student counts for low incidence and ERMHS are related to the Administration's goal of establishing a new special education funding formula for California as soon as the 2021-22 fiscal year. We will continue to monitor and report clarification of any aspects of special education funding for next year.

Federal Budget Advice

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

- 2020-21 Federal Rate = **\$125.00** per 2019-20 Enrollment/Fall 1 before admin fee)

Budgeting Tools

The SELPA has developed a tool to assist in your multi-year budgeting task. This spreadsheet calculates state special education revenue for 2020-21 and the subsequent two out years, based on assumptions entered for multiple variables. The variables your team controls to develop multiple 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 [tool](#) in the Budgeting Resources tab in the AB 602 portion of the business webpage. 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, 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.

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%

SPED Business 101 Workshops: August 12 & August 14

This workshop is an excellent educational opportunity for first-year SELPA partners, new members of your internal and/or outsourced school program/business team, as well as any program or business contributor wanting to build a better understanding of SELPA fiscal processes. We are offering two online opportunities this year which will run from 10:00 am until 2:30 pm with a 30-minute lunch break at noon and two 10 minute breaks before and after lunch. Register soon to ensure your space.

- [August 12, 2020 Registration](#)
- [August 14, 2020 Registration](#)

Important Upcoming Dates

- 7/13/20 – Final 2019-20 Expenditure Reports Due (Federal, ERMHS, Low Incidence, Legal Risk)
- 8/3/20 – Final Revenues and Accruals document posted to the website
- 8/3/20 – Year End MOE Report opens in Fiscal Portal
- 8/12/20 – SpEd Business 101 (webinar)



- 8/14/20 – SpEd Business 101 (webinar)
- 9/4/20 – Year End MOE Report with Excess Cost and Subsequent Year Tracking Due

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](#)

