Bob Steponovich
SELPA Business Services Director

Business Meetings and Professional Learning Opportunities

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

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

Slide deck available on website: http://charterselpa.org/fiscal/
SELPA Governance

• Each charter (unique CDS code) = one vote
• Two Council meetings per year – Fall/Spring
• Recommendations for Council vetted with Executive Committee
• Two Fiscal Committee meetings each year – Following CEO Council
• Review of CEO Council meeting & general updates
Today’s Agenda

1. State Budget & State/Federal Funding
2. Mental Health Funding (ERMHS)
3. SELPA Pool Updates/CEO Council Action Items (10-7-20 mtg)
4. General Updates
State Budget
State/Federal Funding
SB 98

• Increases 20-21 State Special Education Funding
  • From $557/ADA to $625/ADA
  • No DEFICIT

• Increases Low Incidence Funding
  • 2020-21 state budget provides significantly more per LI student - $2,950 from $466 per LI student
  • Material or Services
  • Submit via Fiscal Portal

• SB 98 Provides ADA Hold Harmless
  • 2020-21 ADA = 2019-20 ADA
  • But what about ADA growth in 2020-21? Gov said “planned growth”
  • SB 820 contained those growth provisions
SB 820 Growth Funding

• No growth funding for nonclassroom-based.

• Projected enrollment (or projected ADA if no projected enrollment) reflected in the budget (either 20-21 Adopted or 19-20 Second Interim) must be higher than 2019-20 actual enrollment (or ADA).

• If eligible, 2020-21 ADA determined by the lesser of:
  a) The LEA’s actual Fall 2020 reported enrollment reduced by statewide average absence factors. or
  b) Projected enrollment* in the budget reduced by the statewide average absence factors (or projected ADA if no projected enrollment).

• Growth funding application due Nov 6th

   https://www.cde.ca.gov/fg/aa/aa/pa/pa2021.asp#SB820
Cash Flow

- No deferrals of 2020-21 July through January
- Cash flow estimates now posted for entire year
- P-1 Certification in February
  - Verify ADA calculations
  - Update cash flow schedule
- CSFA’s Advances on State Aid Payments (ASAP) program
  - Applications due by Oct 23rd
  - Loans funded in March 2021

https://www.treasurer.ca.gov/csfa/charter-trans/index.asp

Courtesy of School Services of California Inc
Mental Health Funding

Educationally Related Mental Health Services (ERMHS)
## 2020-21 ERMHS Funding Levels

<table>
<thead>
<tr>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3 Site-Based</th>
<th>Level 3 NPS</th>
<th>Level 3 NPS-Residential</th>
</tr>
</thead>
<tbody>
<tr>
<td>Universal mental health &amp; behavioral interventions</td>
<td>IEP-based ERMHS Services</td>
<td>Structured Therapeutic ERMHS Program</td>
<td>ERMHS component of NPS placement</td>
<td>Room &amp; Board are required to receive ERMHS Services</td>
</tr>
<tr>
<td>No Disability Required - Available for Gen Ed</td>
<td>Any Disability Designation Eligible</td>
<td>ED</td>
<td>ED</td>
<td>ED</td>
</tr>
</tbody>
</table>

**Funding Levels:**

- **$10/ADA**
- 80% of the lesser of:
  - a) $3000 per service
  - b) Budget Request
- 80% of ERMHS Allowed Cost
- 90% of ERMHS Allowed Cost
- 100% of Room & Board Costs
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Revenue</strong></td>
<td>$12,114,897</td>
<td>$15,170,192</td>
<td>$16,376,769</td>
<td>$17,598,572</td>
</tr>
<tr>
<td><strong>Level 1 (2020-21 One-Time)</strong></td>
<td></td>
<td></td>
<td></td>
<td>2,324,000</td>
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<tr>
<td><strong>Level 2</strong></td>
<td>8,899,644</td>
<td>11,169,010</td>
<td>10,316,094</td>
<td>12,500,000</td>
</tr>
<tr>
<td><strong>Level 3 Therapeutic</strong></td>
<td>424,503</td>
<td>706,503</td>
<td>597,228</td>
<td>640,000</td>
</tr>
<tr>
<td><strong>Level 3 NPS</strong></td>
<td>1,199,433</td>
<td>1,628,401</td>
<td>1,475,492</td>
<td>1,830,000</td>
</tr>
<tr>
<td><strong>Level 3 Residential</strong></td>
<td>1,500,758</td>
<td>1,724,781</td>
<td>1,683,053</td>
<td>2,019,000</td>
</tr>
<tr>
<td><strong>SELPA ERMHS Administration</strong></td>
<td>360,730</td>
<td>456,861</td>
<td>422,591</td>
<td>509,700</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>$12,385,068</td>
<td>$15,685,556</td>
<td>$14,494,458</td>
<td>$19,822,700</td>
</tr>
<tr>
<td><strong>Revenue less Expenditures</strong></td>
<td>$(270,171)</td>
<td>$(515,364)</td>
<td>$1,882,311</td>
<td>$(2,224,128)</td>
</tr>
<tr>
<td><strong>Beginning Balance</strong></td>
<td>$2,777,322</td>
<td>$2,507,151</td>
<td>$1,991,787</td>
<td>$3,874,098</td>
</tr>
<tr>
<td><strong>Ending Balance</strong></td>
<td>$2,507,151</td>
<td>$1,991,787</td>
<td>$3,874,098</td>
<td>$1,649,970</td>
</tr>
<tr>
<td><strong>Reserve (% of Revenue)</strong></td>
<td>20.7%</td>
<td>13.1%</td>
<td>23.7%</td>
<td>9.4%</td>
</tr>
</tbody>
</table>
2020-21 ERMHS FUNDING

• Be careful if Level 1 funds are coded to special education
  • One-time
  • Consider MOE impacts
• Continuing Level 3 placements due ASAP
• ERMHS service count is SEIS
  • October preliminary counts
  • One more preliminary - November
  • Dec 1 count “counts” (Level 2 formula)
• Annual Mental Health Service Plan due Nov. 1
SELPA Pool Updates
Set-Aside Risk Pool
• Protects SELPA partners from unrecoverable funding
• One-time contribution from new charters = $5.00/CY ADA

Rate Smoothing Pool
• Created in response to state SpEd funding deficits
• Flow cash at a Charter Member Rate based on final deficit projection
• Pool Revenue = Deficit restoration dollars
• Pool Expenditures = Dollars used to provide a steady rate
New Rate Protection Pool

• Set-Aside Risk Pool hit from A3 Education
• New sources of risk emerge over time
• Ultimately, rate to partners is at risk
• All-inclusive risk pool (any unforeseen loss that would otherwise threaten current rate to partners)
• One-time contribution from new charters = $5.00/CY ADA
• Any charge above $250K requires CEO Council action
## New Rate Protection Pool

<table>
<thead>
<tr>
<th>Set Aside Risk Rate Protection Pool</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Set-Aside 2017-18 Final</td>
<td>Set-Aside 2018-19 Final</td>
<td>Set-Aside 2019-20 Final</td>
<td>Rate Protection 2020-21 Projected</td>
</tr>
<tr>
<td>1 Contribution from New Charters</td>
<td>65,446</td>
<td>158,769</td>
<td>80,416</td>
<td>150,735</td>
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<tr>
<td>2 Forfeited Unspent Funds</td>
<td></td>
<td></td>
<td></td>
<td>226,437</td>
</tr>
<tr>
<td>3 Transfer from Legal Risk</td>
<td></td>
<td></td>
<td></td>
<td>139,551</td>
</tr>
<tr>
<td>4 Transfer from Rate Smoothing</td>
<td></td>
<td></td>
<td></td>
<td>1,663,730</td>
</tr>
<tr>
<td>5 Total Revenue</td>
<td>$65,446</td>
<td>$158,769</td>
<td>$80,416</td>
<td>$2,180,453</td>
</tr>
<tr>
<td>6 Distressed Charters</td>
<td>46,539</td>
<td></td>
<td>560,199</td>
<td>23,193</td>
</tr>
<tr>
<td>7 Extraordinary Costs</td>
<td></td>
<td>22,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8 Total Expenditures</td>
<td>$46,539</td>
<td>$22,000</td>
<td>$560,199</td>
<td>$23,193</td>
</tr>
<tr>
<td>9 Income less Expenditures</td>
<td>$18,907</td>
<td>$136,769</td>
<td>$(479,783)</td>
<td>$2,157,260</td>
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<tr>
<td>10 Beginning Balance</td>
<td>$564,212</td>
<td>$583,119</td>
<td>$719,888</td>
<td>$240,105</td>
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<tr>
<td>11 Ending Balance</td>
<td>$583,119</td>
<td>$719,888</td>
<td>$240,105</td>
<td>$2,397,365</td>
</tr>
</tbody>
</table>
Increased Low Incidence Revenue

<table>
<thead>
<tr>
<th></th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Low Incidence</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2017-18 Final</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 Revenue</td>
<td>153,082</td>
<td>183,147</td>
<td>236,354</td>
<td>$1,563,500</td>
</tr>
<tr>
<td>2 PY Pending Claims Closed</td>
<td>3,000</td>
<td>8,620</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>3 Total Revenue</td>
<td>$156,082</td>
<td>$191,767</td>
<td>$236,354</td>
<td>$1,563,500</td>
</tr>
<tr>
<td>4 Expenditures</td>
<td>92,144</td>
<td>207,014</td>
<td>198,323</td>
<td>1,582,799</td>
</tr>
<tr>
<td>5 Pending Claims</td>
<td>22,302</td>
<td>-</td>
<td>66,960</td>
<td></td>
</tr>
<tr>
<td>6 Total Expenditures</td>
<td>$114,446</td>
<td>$207,014</td>
<td>$265,283</td>
<td>$1,582,799</td>
</tr>
<tr>
<td>7 Income less Expenditures</td>
<td>$41,636</td>
<td>($15,247)</td>
<td>($28,929)</td>
<td>($19,299)</td>
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<tr>
<td>8 Beg Balance</td>
<td>$21,839</td>
<td>$63,475</td>
<td>$48,228</td>
<td>$19,299</td>
</tr>
<tr>
<td>9 Ending Balance</td>
<td>$63,475</td>
<td>$48,228</td>
<td>$19,299</td>
<td>(0)</td>
</tr>
</tbody>
</table>
Low Incidence

- Services & Materials
  - Hearing impairments (hard of hearing, deaf)
  - Vision impairments
  - Severe orthopedic impairments
  - Any combination thereof (e.g. deaf-blind)
- $600 minimum claim amount
- Submit claims right away
- 2020-21 min reimbursement set @ $1,000
- Max reimbursement established @ end of year based on claims
  - 2019-20 = $2,470
  - 2018-19 = $2,235
  - 2017-18 = $2,300
- CEO Council acted to remove $3,000 maximum in the Allocation Plan
General Updates
CALPADS/Data Reporting

• Census Day - October 7th
• CALPADS = $$$
• CASEMIS to CALPADS
  • Operational checkpoint: internal structures aligned to changes?
  • CALPADS data leads and Special Education coordinators
• FCMAT Report
• Certification by December 18th
• Amendment window ends January 29th
Mark Your Calendars

- Mental Health Plans  
  **Due 11/2/20**
- NPS/Residential Placement Budgets  
  **Due 11/2/20**
- 2018-19 Audit Reports  
  **Due 12/18/20**
- ERMHS Level 2 Budgets  
  **Due 1/15/21**
- Mid-Year Expenditure Report  
  **Due 1/22/21**

*SB 98 delayed deadline to 3/31/21*
Education/Connection Opportunities

• Program/Business Buzz Sessions (web)
  • 30-minute sessions
  • You own request and agenda
  • Email charterselpabusiness@edcoe.org to schedule.
Thank You!

Slide deck available on website