



EL DORADO

CHARTERSELPA

Fiscal Update



February 2021

The SELPA offices will be closed February 12 and 15, 2021.

2019-20 Audit Report Submissions

Charter schools that operated in 2019-20, regardless of SELPA membership, are required to provide a copy of the 2019-20 independent audit report to the SELPA. Upload via the [Fiscal Portal](#) is available, and a public site can be used when the audit firm itself is uploading the report. **Audit reports should be submitted as they are finalized.** Unless your school has formally notified the SELPA of an SB 98-related delay, audits were expected to the SELPA by December 15, 2020. The [portal upload link](#) is now available, as is the [public upload link](#).

2020-21 Budget Advice

We encourage all partners to review the recorded Q&A webinar on the 2020-21 budget for important information on the state budget and impacts on special education funding. The [recording](#) is available on the Charter SELPA Business page.

- 2020-21 Charter Member Rate (State) = \$625.00 per 2020-21 P-2 ADA (before admin fee & set-aside for new charters). 2020-21 P-2 ADA will be equal to 2019-20 P-2 ADA plus any qualified growth funding, as described in SB820.
- 2020-21 Federal Rate = \$125.00 per 2019-20 Enrollment/Fall 1 (before admin fee).
- ERMHS Level 1 = \$10/PY ADA (opt-in required).
- ERMHS Level 2 = 80% of the lesser of \$3,000/December 1 SEIS service count or ERMHS budget (opt-in required).
- ERMHS Level 3 Site-Based Therapeutic = 80% of approved budget (Fiscal Portal submission required).
- ERMHS Level 3 NPS = 90% of eligible ERMHS services (Fiscal Portal submission required).
- ERMHS Level 3 RTC = 100% of eligible Room and Board (Fiscal Portal submission required).
- Low Incidence = Up to \$1,000 for eligible materials/services per student, which may increase upon final funding determination (Fiscal Portal submission required).

Two Data Submissions Due in January

The [ERMHS Level 2 Budget Request](#) and [Mid-Year Expenditure Report](#) are now past due. If you have not submitted your report, you may need to contact the business office to open the report

for input. Our team will be reviewing all reporting and will reach out as needed with questions. We would appreciate your prompt response, as having an approved ERMHS Level 2 Budget Request is required in order to receive your initial distribution in February 2021.

2020-21 Maintenance of Effort (MOE) Pre-Test

The 2020-21 Maintenance of Effort (MOE) Pre-Test will be released and due in March 2021. All SELPA members must complete this report, regardless of whether federal funding is expected in 2020-21. 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 2019-20 Actual-to-Actual and Actual-to-Budget submissions, which may be viewed in the [Fiscal Portal](#). The SELPA will make the 2020-21 MOE Pre-Test template available the first week of March and will provide detailed instructions in the March Fiscal Update.

2020-21 Mental Health Funding

ERMHS Level 2

Level 2 Budget Requests were due January 15, 2021 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) \$3,000 x December 1, 2020 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, 2020 ($15 * \$3,000 = \$45,000$).
- Submitted a Level 2 budget totaling \$40,000, which included only qualified ERMHS expenditures and was reasonable given the 15 services.
- Level 2 funding eligibility = \$40,000 (lesser of \$45,000 and \$40,000).
- 80% of funding eligibility = \$32,000 (80% of \$40,000).
- First revenue payment in February = \$16,000 ($\$32,000 * 50\%$).

***Update* 2020-21 ERMHS Level 1 Funding**

In addition to regular Levels 2 and 3 ERMHS funding, the CEO Council approved one-time Level 1 mental health funding for 2020-21. The funding will flow at \$10/ADA and is intended to support anticipated increases in general education mental health needs resulting from extended COVID-related conditions.

In previous years, ERMHS revenue was restricted to special education expenditures and was distributed under Resource 6512. Therefore, the Charter SELPA's ERMHS reserves are held as Resource 6512. Beginning in the 2020-21 fiscal year, state ERMHS funding will be distributed

under a new Resource code. The SELPA will issue Level 1 funding intended for general education spending (Goal 1110) as Resource 6546. All other ERMHS funding intended for special education spending (Goal 5xxx) will be issued as Resource 6547 or 6512.

We advise thoughtful monitoring of the use of your mental health funding this year, as these expenditure decisions may impact your Special Education MOE compliance in subsequent years. In particular, you should carefully consider decisions to direct any Resource 6546 revenue (Level 1) to special education or to direct any Resource 6547 revenue to general education.

ERMHS Level 3 Funding

Level 3 NPS/Residential funding requests for **continuing placements from 2019-20 should have already been submitted**. Requests for new placements are to be submitted via the [Fiscal Portal](#) within 30 days of the placement. 2020-21 Master Contract and ISA templates are currently available on the [business web page](#).

Expenditure reporting triggers Level 3 reimbursement. Throughout the year, there are four available expenditure reporting windows for NPS and NPS residential placements. The next expenditure reporting window closes on January 15, 2020.

2020-21 Low Incidence Funding

Low Incidence funds are available for use on behalf of students certified as having a low Incidence primary or secondary disability through the assessment and IEP process. The 2020-21 state budget provides for an increase in Low Incidence revenue to the SELPA, which allows for greater reimbursements to our partners.

The minimum claim is \$600 and the reimbursement amount per Low Incidence claim has been set at \$1,000 for 2020-21. The maximum will be determined when all claims are submitted. The [Low Incidence Reimbursement Request](#) is currently available in the [Fiscal Portal](#). We recommend submitting your request in the Fiscal Portal as soon as possible so we may begin our review process. Requests can be made based on anticipated expenditures; final funding is based on expenditures reported at year-end. You can find additional information on reimbursement requirements in the [Low Incidence Guidelines](#).

Low Incidence

For Low Incidence requests, 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](#) are available on the [Charter SELPA website](#).

Governor's 2021-22 Budget Proposal

Special Education highlights of Governor Newsom's January budget proposal:

- 1.5% COLA (no make-up of 2.31% from last year as proposed for LCFF).

- Increased funding rate from \$625.00 to \$634.38/ADA.
- No ADA Hold Harmless, therefore SELPA funded on greatest of prior prior, prior or current year ADA.
- No change to:
 - Structure of AB 602 funding model.
 - Elimination of (proration factor) going forward.
 - Low Incidence funding (≈\$2,950 per LI student).
 - Current Year Deferrals (still in place February 2021 through June 2021).
 - Expanded use of ERMHS funding (continues to be available for all students).

Related Components:

- Department of Health Care Services to implement an incentive program in coordination with county health departments and schools to increase the number of students receiving preventive and early intervention behavioral health services from schools, providers in schools, or school-based health centers. (\$400M over multiple years).
- PLNs to support LEA capacity to access Medi-Cal funds (\$5M one-time).
- Lead COE to develop Medi-Cal billing guidance (\$250K).
- Study to examine certification/oversight of NPS placements (\$500K one-time).

The legislative negotiation process is now underway, moving toward Governor Newsom's May revise and the final June budget for 2021-22. We will report on these conversations as they develop.

Important Upcoming Dates

- **02/12/21** – SELPA Offices closed
- **02/15/21** – SELPA Offices closed
- **02/28/21** – Level 2 ERMHS 50% Payments
- **03/05/21** – State Checks (February delayed due to P-1 certification)
- **03/19/21** – MOE Pre-Test Due

Handy Links

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