



EL DORADO

CHARTERSELPA

Fiscal Update



April 2021 Fiscal Update

2020-21 Budget Advice

- 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 adminfee).
- ERMHS Level 1 = \$10/PY ADA (opt-in required).
- Low Incidence = Up to \$1,000 for eligible materials/services per student, which may increase upon final funding determination (Fiscal Portal submission required).

The following reimbursement percentages were increased at the final 20-21 finding of sufficiency:

- ERMHS Level 2 = 95% of the lesser of \$3,000/December 1 SEIS service count or ERMHS budget (opt-in required).
- ERMHS Level 3 Site-Based Therapeutic = 95% of approved budget (Fiscal Portal submission required).
- ERMHS Level 3 NPS = 95% of eligible ERMHS services (Fiscal Portal submission required).
- ERMHS Level 3 RTC = 100% of eligible Room and Board (Fiscal Portal submission required).

2021-22 State & Federal Budget Advice

- 2021-22 Charter Member Rate (State) = \$634.38 per 2021-22 P-2 ADA (before admin fee & set-aside for new charters).
- 2020-21 Federal Rate = \$125.00 per 2020-21 Enrollment/Fall 1 (before adminfee).
- 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).

2021-22 Administrative Fees

The 2021-22 Administrative Fee rate for each Charter SELPA partner is posted [here](#).

Protect Your Current Year Funding

To ensure that attendance records for classroom-based charters are in compliance with distance learning parameters, starting from September 1, 2020, there must be complete weekly engagement records for all pupils who participated in part, or in whole, throughout distance learning. The weekly engagement records for each pupil must include the following documentation:

- Synchronous or asynchronous instruction of each whole or partial day of distance learning.
- Daily participation, or lack thereof.
- Tracking of assignments.

LEAs must also have written tiered reengagement strategies for pupils who are absent from distance learning for more than three days, or 60% of the instructional days, in a school week. Is your attendance recordkeeping configured as required to protect your distance learning ADA?

The final 2020-21 audit guide requires auditors to select a specified number of students identified for testing, and verify that for each student, a complete weekly engagement record is on file. For secondary students, this will likely result in significantly more documentation than in prior years as the entire week, inclusive of all periods, will be subject to audit.

As you prepare for your annual audit, it is critically important to ensure that the weekly engagement records contain the requisite components and meet the standards to pass your audit and avoid a negative revenue adjustment. The [final audit guide](#) is available on the Education Audit Appeal Panel's website, inclusive of the audit procedures for distance learning.

2020-21 ADA/Enrollment Quarterly Reporting

Data reporting to the SELPA now includes three snapshot reports of school-wide ADA and enrollment. This year, SELPA membership consists of nearly 200 partners operating over 420 schools. With such a large base, identifying enrollment and ADA trends throughout the year is needed to facilitate accurate budgeting and effective analysis. In addition to enrollment and ADA numbers, the reporting template may ask for one or two other items related to upcoming SELPA-level compliance responsibilities. The Fiscal Portal template will require minimal time to complete but will supply the SELPA with tremendously valuable data.

Report Content	Due Date
Period #3: Enrollment as of March 31, projected P-2 ADA (current year and budget year)	April 20, 2021

Please log into the Fiscal Portal and complete the Period #3 report by **April 20, 2021**.

Fiscal Workshop

Our Year-End Fiscal Workshop will be April 28, 2021, from 10:00 am to 12:00 pm. This workshop will cover current budget updates as well as topics related to end-of-year processes. Registration

is available [here](#).

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

The 2020-21 [Maintenance of Effort \(MOE\) Pre-Test](#) was due March 19, 2021, and all submissions are currently being reviewed. Should any questions arise, we will be reaching out for clarification and/or guidance. If you have not submitted your MOE Pre-Test Actual-Actual and Actual-Budget, we will be reaching out for you to do so. As a reminder, all LEA's must complete both items regardless of receipt of federal revenue.

2020-21 Mental Health Funding

ERMHS Cash Flow Projections are now posted on the [business page](#) of our website in the Mental Health (ERMHS) Funding section.

ERMHS Level 1

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/prior year ADA and is intended to support anticipated increases in general education mental health needs resulting from extended COVID-related conditions. Fifty percent of calculated Level 1 revenue will be distributed in the March 5, 2021 check run. The balance of Level 1 revenue due will be trued up to final expenditures reported in July.

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

Level 3 NPS/Residential funding requests are to be submitted via the [Fiscal Portal](#) within 30 days of the placement. You can now find the 2021-22 Master Contract and ISA templates 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 April 15, 2021.**

Federal Revenue Update

The second federal expenditure reporting will be available on April 1, 2021, and is due on April 21,

2021. **This second report is optional.** If you have expenditures to report, we recommend doing so, as final expenditure reports (reported in July) often take several months to be funded by CDE. Federal grants are a reimbursement-based funding stream. Once our partners submit their expenditures, the SELPA compiles and reports to CDE. When funds are released to the SELPA, we then release funds to our partners. This process can take time, so the sooner you report, the better.

The SELPA has not yet received the grant award notice from CDE for the 2020-21 year. However, CDE has assured us that the award notice should be issued soon. Expenses reported in January have not been reported to CDE, as they are dependent upon the grant award. Once the grant award is received, we will submit expenditure reports. Per CDE, we should expect to receive funds within six weeks after they receive the expenditure report, though it has recently taken much longer than that.

As a reminder, charters in the first year of operation are not eligible for federal revenue because no prior year enrollment count exists upon which to base the funding.

2020-21 Low Incidence Funding

Low Incidence Reimbursement Requests are due by May 1, 2021. 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 minimum reimbursement amount per Low Incidence claim has been set at \$1,000 for 2020-21. The maximum cannot be determined until **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](#).

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:
 - » Current structure of AB 602 funding model.
 - » Elimination of (proration factor) going forward.
 - » Low Incidence funding (≈\$3,000 per LI student).
 - » Expanded use of ERMHS funding (continues to be available for all students).
 - » Frozen Counts: ADA for SELPA PS/RS revenue and state Mental Health funding, student count for Low Incidence funding.
 - » Current Year Deferrals (still in place February 2021 through June 2021).

Related Budget 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 in full swing, moving toward Governor Newsom's May revise and the final June budget for 2021-22.

Important Upcoming Dates

04/15/21 – 3rd ERMHS Level 3 Expenditure Reporting Window Closes

04/20/21 – Quarterly ADA/Enrollment Report Due

04/21/21 – Federal Expenditure Report #2

04/28/21 –Year-End Fiscal Workshop

05/01/21 – Low Incidence Pool Reimbursement Requests Due

Handy Links

- [Fiscal Portal](#)

2020–21

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

2021–22

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