



EL DORADO

CHARTERSELPA

Fiscal Update



March 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).

P-1 Certification

CDE released certified First Principal Apportionment (P-1) data on February 19. As anticipated, the SpEd funding deficit (proration factor) we have seen applied to state funding in past years was eliminated, ensuring our published budget advice of \$625 per ADA. We also saw the significant increase to Low Incidence funding from last year that we were expecting (\$3,000 vs. \$460 per student), which means significant additional dollars to the Low Incidence pool.

Due to the timing of the certification, February state cash disbursements will be released on March 5, 2021. These disbursements will include the first state cash for schools new to the SELPA, calculated on their P-1 ADA. Updated Funding Details and Cash Flow documents will be posted to the SELPA business webpage concurrent with payment processing.

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

The 2020-21 Maintenance of Effort (MOE) Pre-Test will be released March 5 and will be due March 19, 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](#). Detailed instructions will be provided in a *Data Request* email on March 5.

2020-21 Mental Health Funding

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. 50% of calculated Level 1 revenue will be distributed in the March 5 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 2

ERMHS Level 2 Budget Requests should have been submitted for review at this time. Initial payments for approved requests will be issued as part of the upcoming March 5 check run. If you are expecting ERMHS Level 2 funding and do not receive payment, it is likely that you have outstanding issues with your Budget Request that need to be resolved.

ERMHS Level 3

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 April 15.

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](#).

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 (≈\$3,000 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 in full swing, moving toward Governor Newsom's May revise and the final June budget for 2021-22.

Important Upcoming Dates

- **03/05/21** – State Checks (February cash delayed due to P-1 certification)
- **03/19/21** – MOE Pre-Test Due
- **04/15/21** – 3rd ERMHS Level 3 Expenditure Reporting Window Closes
- **04/21/21** – Federal Expenditure Report #2/Projected 2021-22 P-2 ADA Due
- **05/01/21** – Low Incidence Pool Reimbursement Requests Due

Handy Links

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