



EL DORADO

**CHARTERSELPA**

*Fiscal Update*



## February 2022

### In this Issue...

- > Four Submissions Were Due to SELPA in January
  - 1) 2020-21 Audit Report
  - 2) ERMHS Level 2 Budget
  - 3) Mid-Year Expenditure Report
  - 4) ADA/Enrollment Report #2
- > 2021-2022 Mental Health Funding
  - Determining Level 2 Revenue
  - ERMHS Level 3 Funding
- > Year-End/Maintenance of Effort (MOE) Pre-Test
- > Inspiration to Action Symposium
- > Governor's 2022-23 Budget Proposal
- > 2021-22 Budget Advice
- > 2021-22 Low Incidence Funding
- > Important Upcoming Dates
- > Handy Links

### Four Submissions Were Due to SELPA in January

Please promptly ensure that your LEA(s) has completed all four of the following Fiscal Portal submissions. If you have not submitted your reports, you may need to contact the business office to open the appropriate template for input.

#### 1) 2020-21 Audit Report

Charter schools that operated in 2020-21, regardless of SELPA membership, are required to provide a copy of the 2020-21 independent audit report to the SELPA unless your LEA has formally notified the SELPA of an approved delay. Upload via the [Fiscal Portal](#) is available, and a [public site](#) is available if the audit firm is uploading the report.

#### 2) ERMHS Level 2 Budget

The [ERMHS Level 2 Budget Request](#) was due January 18. An approved ERMHS Level 2 Budget Request is required to receive a revenue distribution.

### 3) Mid-Year Expenditure Report

All partners were required to submit the [Mid-Year Expenditure Report](#) by January 21. Include all actual special education expenses through December 31, 2021 in the Mid-Year Expenditure Report. This required report is also the first opportunity to report 2021-22 federal expenditures and begin the flow of federal cash for the current year.

### 4) ADA/Enrollment Report #2

The second report of your LEA's current year ADA and enrollment was also due January 18. The [ADA/Enrollment template](#) takes very little time to complete.

## 2021-2022 Mental Health Funding

### Determining Level 2 Revenue

We are currently analyzing each partner's Level 2 Budget Request submission. These budgets establish one component of the two-part formula that determines your school's 2021-22 Level 2 ERMHS funding eligibility. The 2021-22 initial funding formula is 80% of the lesser of: 1) \$3,000 x December 1, 2021 ERMHS Service Count, or 2) Level 2 budget request. Here is an example of how the formula works.

Partner A:

- Had 15 eligible mental health services in SEIS on December 1, 2021 ( $15 * \$3,000 = \$45,000$ ).
- 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 Level 2 revenue payment = \$16,000 ( $\$32,000 * 50\%$ ).

The February payments batch will include the first Level 2 revenue payments. Just a reminder, P-1 Certification will delay February payments until March 5, 2022. At the end of the year, your school will submit actual expenditures. We will compare actual expenditures to the funding eligibility amount and, based on the lesser of the two, a final revenue payment will be made.

### ERMHS Level 3 Funding

Considering the total cost of Level 3 NPS and NPS Residential placements is essential for making an accurate final ERMHS funding determination for this year. **The SELPA should now have funding requests for all known Level 3 placements.** It is essential that partners immediately submit [funding requests](#) for placements made during the

remainder of the year. Master Contract and ISA templates are available on the [business web page](#).

For approved placements, expenditure reporting triggers Level 3 reimbursement. There are four expenditure reporting windows for NPS/residential placements during the year. The next expenditure reporting window closes on April 22.

## Year-End/Maintenance of Effort (MOE) Pre-Test

Heads up! The Year-End/MOE Pre-Test will be due in March. All SELPA members must complete this report, **regardless** of whether federal funding is expected in 2021-22. The pre-test is the means for SELPA to analyze overall special education spending from all revenue sources prior to year-end and offer support where warranted. The pre-test also allows evaluation of federal MOE testing before the window to make adjustments passes. The SELPA will provide detailed instructions in the March Fiscal Update.

## Inspiration to Action Symposium

Each year, the SELPA hosts our free Inspiration to Action Symposium, which offers a full day of inspiration and tools for action to educators across the state. The keynote speaker at this year's February 24 event is [Sparsh Shah](#). An Indian American rapper, singer, and songwriter currently attending Berklee College of Music. Sparsh was born with a rare disorder known as Osteogenesis Imperfecta, commonly known as Brittle Bone Disorder. He is listed in the World's Greatest Motivators and featured in Little Big Shots. To hear him speak on "Embracing What is Possible," register [here](#).

## Governor's 2022-23 Budget Proposal

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

- 5.33% COLA (\$140.6 million) PLUS Prop 98 general funds = \$500 million:
  - These increases would result in a base rate increase from \$715/ADA to an estimated \$820/ADA.
  - Funds will continue to flow through the AB 602 Funding Formula via SELPAs.
  - Calculate special education base funding allocations at the LEA level rather than the SELPA level.
- Allocate Educationally Related Mental Health Services funding directly to LEAs vs. SELPAs.
- Consolidate special education extraordinary cost pools into a single \$6 million pool.
  - Two \$3 million cost pools currently exist, including one targeted

- for small SELPAs.
  - Reimbursements are only for amounts above the cost threshold (\$84,933.06 for 2021-22) and typically cover less than 40% of the requested reimbursement.
- Incorporate a Special Education Addendum to the LCAP to:
  - link special education and general education planning; and
  - target inclusion of SpEd parents in the LCAP development process.
- Create a special education resource lead to develop comprehensive IEP best practices and establish an expert panel to create a model IEP template.
- Establish an alternate diploma and alternative coursework options for SpEd students to demonstrate completion of the state graduation requirements.

The Legislative Analyst's Office (LAO) analysis of the Governor's SpEd proposals is available [here](#). This spring will undoubtedly be a very active budget negotiation season leading up to the Governor's May Revision and the final 2022-23 state budget in June.

## 2021-22 Budget Advice

- 2021-22 Charter Member Rate (State) = \$715 per 2021-22 P-2 ADA (before admin fee & set-aside for new charters)
- 2021-22 Federal Rate = \$125 per 2020-21 Enrollment/Fall 1 (before admin fee)
- ERMHS Level 2 = 80% of the lesser of \$3,000 x Dec 1 SEIS service count or ERMHS budget (see ERMHS article above)
- ERMHS Level 3 Site-Based Therapeutic = 80% of approved budget (advanced program & budget approval 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 \$1000 for eligible materials/services per student, which will likely increase upon final funding determination (see Low Incidence article below)

## 2021-22 Low Incidence Funding

Low incidence funds are available based on the following criteria:

- Student must have a low incidence disability (primary or secondary)
- The request must meet a minimum of \$600

- The services and/or materials must be necessary for the student to meet their Individualized Education Plan (IEP) goals and objectives; for the student to access general education; be specialized as it relates to a need or the needs of the low incidence disability; and be indicated in a comprehensive evaluation which is completed by staff or a provider who is credentialed/knowledgeable of the low incidence disability area(s).

The minimum reimbursement amount per Low Incidence claim has been set at \$1,000 for 2020-21. The maximum reimbursement cannot be determined until all claims are submitted. The [Low Incidence Reimbursement Request](#) is currently available in the Fiscal Portal. We recommend starting your request as soon as possible. This will allow us to get a jump on our review and determination process. All that's needed to create a request is an estimate of the expenditure. Final funding will be based on actual expenditures reported at year-end. For additional information on reimbursement requirements, consult the [Low Incidence Guidelines](#).

## **Important Upcoming Dates**

02/21/22 – SELPA Offices Closed  
02/24/22 – Charter SELPA Symposium  
02/28/22 – ERMHS Determination  
03/04/22 – MOE Pre-Test Template Available  
03/05/22 – Delayed February Checks Issued  
03/18/22 – MOE Pre-Test Due

## **Handy Links**

[Fiscal Portal](#)

[Funding Detail](#)

[State Cash Flow Projection](#)

[Federal Cash Flow Projection](#)

[Admin Fee Rates](#)