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EL DORADO  
**CHARTERSELPA**  
*Fiscal Update*



## August 2022 Fiscal Update

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## BIG NEWS: 2022-23 Mental Health Funding

Two years ago, the Governor began a journey toward direct LEA funding of mental health revenue when he was successful at expanding the allowable uses of mental health funding to direct services for all students, not just students with disabilities. The distribution of this funding has also been folded into the monthly principal apportionment process. He proposed in his 2022-23 budget to directly fund LEAs for mental health revenue, however, the final budget postponed direct funding until next year (2023-24).

The CEO Council's action at the May meeting established that the SELPA should get ahead of inevitable direct funding by implementing a hybrid mental health funding model for the current year. Approximately \$50/ADA of mental health revenue will be directly distributed monthly to SELPA partners. An amount of approximately \$5M will be taken off the top to fund a Level 3 reimbursement pool. The parameters of this pool and a final budget will be approved by CEO Council at the October meeting.

This approach will greatly simplify the process of how partners receive mental health revenue. Starting this year, there will be no need to file an annual mental health plan or submit a Level 2 budget, and the SELPA won't be counting mental health services in SEIS on December 1. The monthly distribution of revenue at \$50/ADA will begin at the end of August. That payment will include the July and August amounts. The details of the Level 3 pool will be communicated immediately after the October CEO Council meeting.

## 2021-22 Level 3 Placement Reimbursements at Risk

**If your charter school submitted a 2021-22 Level 3 placement, please immediately check the Fiscal Portal for the status of that request.**

After attempts to contact the impacted partners, several Level 3 reimbursement submissions from last year are missing information or are still awaiting final expenditures. We need to open up 2022-23 Level 3 placement submissions asap. However, we cannot collect current year data until 2021-22 is closed. This is especially critical this year, given the changes in mental health funding. Thank you for your cooperation

## Open Office Hours - Year-End Reporting

We have added "open office hours" to the Charter SELPA fiscal calendar. Partners may enter the Zoom meeting at any time between 8:00 AM and 5:00 PM at the links below and our team will be available to answer your questions. The focus of the July session is assisting with final federal and ERMHS expenditure reporting, and the two August sessions will support the completion of the Year-End/MOE template.

- **August 16** [Zoom Link](#): Meeting ID: 878 6355 2595, Passcode: 788815
- **August 30** [Zoom Link](#): Meeting ID: 839 3359 0866, Passcode: 940761

## 2021-22 Year-End Maintenance of Effort (MOE) Report

The Maintenance of Effort is a federal requirement to receive federal revenues. ALL 2021-22 SELPA partners must submit a Year-End MOE report, regardless of receiving federal funding. This does not apply to partners new to the SELPA in 2022-23. The Year-End/MOE template has four components for complete reporting:

- **2021-22 Actual-Actual**—this compares 2021-22 final expenditures to expenditures in the applicable comparison year. The MOE requires each LEA to spend more in State/Local expenditures than in the prior year. There are four tests (State/Local, State/Local per capita, Local Only, Local Only per capita), but only one test must be met. We encourage each LEA to pass as many tests as possible by utilizing eligible exemptions. The SELPA also uses this data for additional reporting throughout the year, which is why reports are required regardless of the receipt of federal revenues.
- **2022-23 Actual-Budget**—this compares your budgeted 2022-23 expenditures to your 2021-22 actual expenditures. This report should be completed once your 2021-22 Actual-Actual is final and submitted. Again, the SELPA utilizes this data for additional reporting, so all partners are required to report regardless of the expectation of federal revenues in the 2022-23 year.
- **Excess Cost**—this report is a pre-populated report that will require the signature of your CFO (or equivalent) and your Special Ed Director (or equivalent). The Federal Excess Cost requires that the LEA spend at least as much in state and local revenue on the education of children with disabilities as it spends on non-disabled children before spending IDEA funds. Unlike in prior years, there will be a small amount of information that will need to be input, but we have pre-populated where possible. It is important to verify the accuracy of this data before signing.

- Subsequent Year Tracking—this is also a pre-populated report that will require the signature of the CFO (or equivalent). The Subsequent Year Tracking is a history of your Maintenance of Effort reporting. Although it is pre-populated, it is important to verify the accuracy of this data.

## Federal Revenue Update

- 2020-21 Federal funds were received and distributed on June 27, 2022.
- 2021-22 Federal funds have not yet been received and must be fully accrued.

## 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 (RS 3310) = \$139.61 per 2020-21 Enrollment/Fall 1 (before admin fee)
- 2021-22 ARP Federal Rate (RS 3305) = \$39.67 per 2020-21 Enrollment/Fall 1 (before admin fee)
- ERMHS Level 2 = 80% of the lesser of \$3,000 x SEIS service count as of 12/1/21 or submitted ERMHS budget.
- ERMHS Level 3 Site-Based Therapeutic = 80% of approved budget
- 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 = Processing claims to determine final funding levels set for 2021-22

## 2022-23 State & Federal Budget Advice

- 2022-23 Charter Member Rate (State) = \$820 per the higher of each charter's 2020-21, 2021-22, or 2022-23 P-2 ADA (before admin fee & set-aside for new charters).
- 2022-23 Federal Rate = \$125.00 per 2021-22 Enrollment/Fall 1 (before admin fee).
- In October, the CEO Council will determine the final 2022-23 ERMHS budget. The following preliminary advice is based on estimates that will be presented to CEO Council for their final decisions.

- Funding a pool of ≈\$5M for eligible Level 3 expenditures (NPS/RTC, and site-based SDC placements), which is expected to pay 90+% of mental health, transportation, and room & board costs for these placements.
- The remainder of mental health funding will be passed through to partners at ≈\$50 per 2022-23 P-2 ADA.
- Low Incidence = Up to \$1,000 for eligible materials/services per student, which may increase upon final funding determination (Fiscal Portal submission required).

## Important Upcoming Dates

**08/05/22** – Year-End MOE Report Open

**08/16/22** – Open Office Hours - Year-End/MOE

Reporting

**08/30/22** – Open Office Hours - Year-End/MOE

Reporting

## Handy Links

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



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