SELPA ADMINISTRATORS OF CALIFORNIA  
Finance Committee - Curated Collections  
November 2019

End of Year Paperwork - send all Fiscal reporting to: spedfiscalprogrpts@cde.ca.gov  
Subsequent Year Tracking Sheet Final Version 2  
Subsequent Year Tracking Instructions  
Table 8 18-19 Form  
Table 8 18-19 Instructions  
Excess Cost Form - Percent of Time in special education Calculator for FTE Calculation  
FY 18-19 Special Education Grant Expenditure Report

FY 1819 Extraordinary Cost Pool DUE December 2  
2018–19 FY claims for the Special Education NPS/LCI Extraordinary Cost Pool (ECP) Program and for the Necessary Small SELPAs’ ECP for Mental Health Services are due to the CDE by December 2, 2019. See the letter here. The threshold amount for 2018-19 is $79,050.68. Additional information can be found here.

Claims should include both electronic data submission via the 18-19 Principal Apportionment Data Collection (PADC) Software posted on the CDE website: https://www.cde.ca.gov/fg/sf/pa/padcsww1819.asp and a hard copy of the claim package containing supporting documents. To ensure timely and accurate processing of claims, make sure that electronic claim data submitted match the information contained in the claim package.

State News  
Department of Finance October Bulletin  
Revenue for the month of September was $401 M below the month’s forecast of $8.65 B.  
• Personal income tax (PIT) revenues to the General Fund for the first 3 months of the fiscal year were $420 M below forecast.  
• Sales and use tax receipts for first 3 months were $77 M below the forecast.  
• Corporation tax revenues were $682 M above forecast.  
• Insurance tax cash revenues were $32 M above forecast.

Capitol Advisors - Changes in Law 2019 - School Finance

PPIC Blog: Poverty and Opportunity in California  
While California has seen strong job growth in recent years, poverty remains persistently high. In many inland regions, the prevalence of unemployment or low-wage work is a key driver of economic hardship, while elsewhere—especially in coastal areas—the high cost of housing and other necessities plays a major role.

LAO releases 2019-20 Budget: California Spending Plan  
This report summarizes the annual state budget, provides an overview of the 2019-20 Budget Act, and highlights major features of the budget approved by the Legislature and signed by the Governor. There are three major areas: Spending, Changes to Tax Policy and Changes to Debt and Liability Payments. Things that impact education directly include:  
• Proposition 98 Funding Rises $2B to $81.1B, including “special ed funding” of $646 M.  
• Budget Commits $21.5 B in Discretionary General Fund Spending to pay down debt, new and ongoing funding and mandatory reserves  
• State Makes First Ever Deposit Into School Reserve  
• Governor Allocated Most of the Surplus Toward One-Time Debt and Spending Purposes.  
• $5.9 B in Additional Unfunded Liability Payments including CALPERS and CALSTRS and LEA obligations  
• Provides $1.3 B for early education programs ($469 M ongoing).

Assistive Technology Access -SB 605, Education Code section 56040.3, requires an LEA from which a student has disenrolled to ensure that the student has continued access to the AT devices set forth in the student’s IEP until alternative arrangements can be made, or for two months after disenrollment, whichever occurs first. It also brings state law in conformity with existing federal law, expressly requiring LEAs to provide AT devices for
use in the student’s home or other settings when determined necessary by the IEP team. Because SB 605 imposes new duties on LEAs, LEAs can seek reimbursement for the costs. See FFF Flash here.

**PGE PSPS**
CDE has provided a FAQs webpage about the availability of the J-13A waiver as a result of power shutoffs. FAQs can be accessed by clicking here. Gov. Newsom and the State Legislature included a $75 M one-time in the 2019 Budget Act to support state and local efforts to protect public safety, vulnerable populations and individuals, and improve resiliency in response to utility-led PSPS actions. The funding will focus on jurisdictions where there is heightened PSPS vulnerability.

Half of funds will be allocated to local governments – at least $150,000 will be awarded to all 58 counties with additional funding based on county size and experience with PSPS. LA, San Jose, San Diego, and Oakland will receive $500,000 each. A total of $8 M will support competitive grants available to other incorporated cities and $1.5 M will be available in competitive grants for tribal governments. Find out more here.

**Preschool Grant Funding** The CDE anticipates that the first half of the funds will be released by the end of November, sent through the State Controller; to COEs, and onto DORs. The other 50% is scheduled to be released in April 2020 in a second apportionment. The estimated amount per pupil is $9010.

**DHCS releases CalAIM**
Two main features could impact schools - CalAIM proposes fundamental payment reform for Behavioral Health, and the state adopted proposal to remove diagnostic criteria as a prerequisite for service. The biggest change is called intergovernmental transfer (IGT) and it means the state and its agents (us) indicate the non-federal dollars they WILL spend, dollars get matched, and dollars must be spent on allowable activities. This may mean additional documentation of HOW schools spend dollars on IDEA or other services that would be eligible or allowable, but schools could potentially generate MILLIONS and even BILLIONS of dollars for work we ALREADY do. You can read the letter, link to the CalAIM doc, and subscribe to updates here.

**Ballot proposal submitted** Full and Fair Funding: the Public School Progress, Prosperity and Accountability Act of 2020, was submitted as a first step to being on the ballot in November 2020. Proposed by CSBA, ACSA, and Community Colleges, the initiative would place a new tax on corporations and millionaires with the 89% of funds earmarked for K–12 education, estimated to be $13 B annually. ACSA infographics here.

If passed, the proposal would add a 2% PIT of more than $1 M and a 3% PIT on greater than $2 M. Corporate taxes would go up to 5% for income greater than $1 M. Funds would be allocated via LCFF targets after accounting for local revenues, with no LEA receiving less than $500 per ADA. Funding would be used for:

- Workforce preparation
- School safety
- Recruitment and retention of teachers and school leaders
- Reducing achievement gaps
- Pre-kindergarten early learning services
- Computer science education- $500 M of funds allocated per 7-12 ADA for implementing state computer science standards, purchasing computers and technology for the classroom.

**PPIC Blog:** Do Californians Support the Proposed School Bonds?
In the closing days of the legislative session, the legislature passed and the governor later signed a bill placing Proposition 13 (the Public Preschool, K–12, and College Health and Safety Bond Act of 2020) on the March ballot. If approved by voters, the measure would authorize $15 billion in general obligation bonds to pay for the construction and modernization of California’s public schools, community colleges, and four-year colleges.

**Children Now releases brief on underfunding of schools.** California’s schools have larger class sizes, fewer counselors, stripped-down course offerings, and fewer support services than most others in the country. The
impact of this understaffing acutely affects students with greater needs, including those caused by poverty, language barriers, adverse childhood experiences and special needs. If California is serious about ensuring every child has access to a quality education, it must address the funding shortage. The brief, "Not Enough Adults to Go Around: Underfunded California Schools Provide Less Support for Kids," analyzes key areas like professional staffing and development, student-teacher ratios, per pupil spending, and student performance. It makes comparisons between three similar high schools in California, Illinois, and New Jersey to shine a light on how funds are spent and what California’s schools could look like if the funding level was increased. Children Now will have a webinar on this topic on November 12. To register: Not Enough Adults to Go Around: Underfunded California Schools Provide Less Support for Kids

Did you know?
West Ed hosts a website called the Center for IDEA Fiscal Reporting. This website has lots of historical fiscal documents about federal grants and reporting requirements and resources that may be useful at the local level. For example, there is a whole page of resources related to MOE monitoring and a whole page about CEIS.

Young Adult Medi-Cal Expansion Beginning in 2020, a new law will allow young adults up to age 26, and regardless of immigration status, to enroll in full-scope Medi-Cal. To review a comprehensive list of Medi-Cal benefits, please visit this page.

To learn more about program implementation, the automatic transition process, program timeline, patient protections, and tips for working with immigrant communities, join Western Center on Law and Poverty, National Health Law Program, California Immigrant Policy Center, California Pan-Ethnic Health Network, National Immigration Law Center, Maternal and Child Health Access, Children Now and other statewide health and immigration advocates for a free informational webinar on Nov 5, 1:00 – 2:00 p.m. PST. Register here.

SELPA Losses Worksheet SSC tracking sheet to determine their LOSSES from AB 602 adjustments

Federal News

Federal Reserve Cuts Rates for Third Time
The central bank lowered interest rates by 0.25%, which helped the US economy to grow at a steady pace, supported by consumer spending, low unemployment and rising personal income. Markets reacted positively to this news and corporate earnings reports that were positive, finishing the day in the black to record highs.

Education Budget
After passing a continuing resolution in August, the government continues to work towards final budget allocation amounts, which must be completed by November 21. Current discrepancies are a House bill proposing an increase to special education funding of almost $1B. Senate proposals largely leave education funding stagnant. Reconciliation must occur, but Ed funding is unlikely to decline due to the continuing resolution which indicates if no decisions are made that funding is held stable at prior year amounts. There may be an effort to combine education appropriations with defense, similar to previous years, by Nov 21.

Budget Cuts And Broken Promises - Hidden in the Department Of Education's 2019 Proposal for CRDC
Analysis by the National Center for Youth Law (NCYL) uncovers alarming information in the Department of Education's September 2019 proposal regarding Civil Rights Data Collection (CRDC). The Department has hidden some key changes among its discussion of adding and removing various CRDC data points, including: slashing the CRDC's budget by 26%; breaking its promise to look out for children with disabilities placed in private schools by their districts; and failing to provide any transparency around promised additional technical assistance for school districts. Read the NCYL full comments here and the summary for the proposal here.

Pew Charitable Trusts article about Federal spending on higher education. Although not explicitly impacting special education, the greater fiscal picture of federal funding on education as a whole can be informative. Review the study Two Decades of Change in Federal and State Higher Education Funding on their website.
Final 50: State Trends and Analysis, from Pew Charitable Trust

States' unfunded pension costs—the shortfall between benefits promised to government workers and the savings available to meet those obligations—stand out. Collectively, they not only were the largest in dollar terms of the three long-term liabilities but also grew the most over the past decade. In addition, they were larger than either of the other liabilities in 37 states.

Thirty-three states saw debt grow between 2003 and 2013. The largest increases in debt, measured as a percentage of personal income, were in California (2.1 percentage points), and NJ and WA (both 1.6 points).

Debt and Unfunded Retirement Costs as a Share of State Personal Income, 2013

<table>
<thead>
<tr>
<th>State</th>
<th>Unfunded pension costs</th>
<th>Unfunded retiree health care costs</th>
<th>Debt</th>
<th>A-Z</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alaska</td>
<td>2.1%</td>
<td>9.2%</td>
<td>5.8%</td>
<td>18.6%</td>
</tr>
<tr>
<td>Hawaii</td>
<td>2.1%</td>
<td>2.0%</td>
<td>1.0%</td>
<td>5.1%</td>
</tr>
<tr>
<td>New Mexico</td>
<td>2.1%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>2.1%</td>
</tr>
<tr>
<td>Florida</td>
<td>2.1%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>2.1%</td>
</tr>
<tr>
<td>Arizona</td>
<td>2.1%</td>
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<td>0.0%</td>
<td>2.1%</td>
</tr>
<tr>
<td>California</td>
<td>2.1%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>2.1%</td>
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</table>

As share of personal income

<table>
<thead>
<tr>
<th>State</th>
<th>Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>California</td>
<td>$170 billion</td>
</tr>
<tr>
<td>Nevada</td>
<td>$80.2 billion</td>
</tr>
<tr>
<td>West Virginia</td>
<td>$94.5 billion</td>
</tr>
</tbody>
</table>

Public Charge Rule - What is it and what is the impact on education?

On Oct 11 federal courts blocked sweeping regulation that would've made it easier for the administration to reject green card and visa applications filed by low-income immigrants whom the government determines are or might become a burden on U.S. taxpayers. According to one study, talk of the rule, along with confusion over which benefits will be considered, has prompted some immigrant families — including U.S. citizens — to avoid or drop food, medical and housing benefits out of fear that enrollment would jeopardize immigration petitions filed by family members. Opposing view from conservative National Review can be found here.

Public Charge CA Budget and Policy Center - Report

The new rule makes the definition of public charge much broader, including having a family income less than 125% of the federal poverty line, or about $32,000 for a family of four, will now be considered a negative factor. The rule expands the types of public supports considered, including food assistance through Medi-Cal. This new definition is extremely broad, considering that more than half of US-born citizens are likely to access supports at some point in their lifetimes.

UCLA Anderson Forecast Q3 National Update

Economic analysis of past trade disputes and tariff barriers suggest that the U.S. will be purchasing more, higher priced goods from other countries and that U.S. supply chains will diversify if not completely change. China will continue, indeed intensify, its pivot towards South and South East Asia for trade in goods and towards European companies for foreign investment. The longer the trade war goes on, the more costly it will be to recover the previous, more efficient trading patterns.

Prior Month Finance Reports