



September 7, 2021

TO: Business Administrators
Los Angeles County School Districts
Special Education Local Plan Area (SELPA) Directors
Los Angeles County SELPAs

FROM: Alyssa Martinez, Manager
Business Advisory Services

SUBJECT: Extraordinary Cost Pool Claims, Fiscal Year 2020-21

The California Department of Education (CDE) administers an Extraordinary Cost Pool (ECP) to pay claims under the terms of Education Code (EC) 56836.21.

The Budget Act of 2017 apportioned \$6 million for extraordinary costs associated with single placements. The first \$3 million is available for reimbursements for extraordinary costs associated with educationally related mental health services, including out-of-home residential services for necessary small Special Education Local Plan Areas (SELPAs), also known as Extraordinary Cost Pool for Mental Health Services (ECPMH).

The threshold amount for the 2020-21 fiscal year for necessary small SELPAs is the lesser of \$81,627.73, or one percent of the SELPA's subtotal apportionment for the 2019-20 fiscal year.

The second \$3 million is available for reimbursements for extraordinary costs associated with placements in nonpublic, nonsectarian schools (NPS), and for special education and related services for pupils residing in licensed children's institutions (LCI). Besides the current year NPS/LCI appropriation, any ECPMH funds not used will also be available for reimbursement for extraordinary costs associated with NPS/LCI. The CDE will prorate all claims if the total statewide amount claimed by SELPAs exceeds the \$6 million appropriation in the budget.

The threshold amount for 2020-21 for SELPAs that are not considered necessary small SELPAs as defined in California Education Code Section 56836.21 is \$81,627.73. This is equal to the 2019-20 threshold. There is no cost-of-living adjustment provided for 2020-21 fiscal year.

To be eligible for reimbursement, the CDE requires: (1) a separate claim for each pupil whose initial NPS placement was made on or after July 1, 1998, (2) copies of paid invoices and warrants, or other documentation to support each claim, and (3) any waiver requests.

ALLOWABLE AND DISALLOWABLE COSTS

Allowable costs consist of: (1) NPS tuition and services, and (2) Transportation (only when provided by private firm companies).

Disallowable costs consists of: (1) Residential care, room and board, and legal costs; (2) Parent reimbursements related to travel, such as per diem or food, when in route with child to NPS either across the State or in another State; (3) Nonpublic agency costs; (4) Costs for children outside the age group of 3-21; and (5) NPS placements prior to fiscal year 1997-98.

Under EC 56836.20, the cost of master contracts with nonpublic, nonsectarian schools and agencies that a SELPA enters into shall not include any of the following costs that a SELPA may incur:

- Administrative or indirect costs of the SELPA
- Direct support costs for the SELPA
- Transportation costs
- Costs for services routinely provided by the SELPA
- Costs for nonspecial education programs or settings
- Costs for nonpublic, nonsectarian school or agency placements outside of the state unless the board has granted a waiver
- Costs for related nonpublic, nonsectarian school pupil assessments by a school psychologist or school nurse
- Costs for services that the nonpublic, nonsectarian school or agency is not certified to provide
- Costs for services provided by personnel who do not meet the requirements specified in subdivision (l) of Section 56366.1.
- Costs for services provided by public school employees

Additional details about these costs is found in the attached EC 56836.20 language.

PRINCIPAL APPORTIONMENT DATA COLLECTION SOFTWARE

ECP claims must be filed using version v20.00 of the CDE's Principal Apportionment and Data Collection (PADC) Software. This is the same version SELPAs use to report their 2020-21 Annual Infant data. You can access the ECP Claim entry screen by clicking on "Period" from the menu bar, and selecting "Annual." Next, click "LEA" from the menu bar, and select "SELPA." Choose the input field titled "Extraordinary Cost Pool Claim" displayed on the lower half of the main menu.

If you have not updated your software to version v20.00, the software and software resources are available for download from the CDE website at:

<https://www.cde.ca.gov/fg/sf/pa/padcsw2021.asp>

SUBMISSION OF REPORTS

Send your electronic file to the Los Angeles County Office of Education (LACOE) via the Reports And Data (RAD) system by **Friday, September 24, 2021**. To obtain access to RAD, please contact Jeanne Vargas at: Vargas.Jeanne@lacoe.edu.

ECP claims require certification by the County Superintendent of Schools. In addition to the electronic file, each ECP claim must include:

1. A certification page generated by the PADC software with a “Certificate Number” in the upper right corner that matches the number assigned to the electronic file you submit to LACOE. This certification page must be signed by your SELPA Director.
2. Complete packets per student that contain copies of paid invoices and warrants, or other documentation to support it.
 - a. With the exception of student identification number, personal student information (including name) must be redacted from supporting documents.
 - b. If claims are submitted for 10 pupils, then 10 complete packets must be received.
 - c. If multiple students are listed on an invoice, the same invoice should be included in each of the claim packets. Students should be identified on the invoice by student identification number.
 - d. Incomplete packets will be returned, and must be resubmitted immediately, or there will not be sufficient time to review the material, and to forward the data to the CDE by the statutory deadline.

Send this material via JET Mail to:

Los Angeles County Office of Education
Business Advisory Services
Attention: Ms. Jeanne Vargas

Because the CDE will strictly enforce the statutory reporting deadline, without exception, the signed certification page and supporting documentation must reach LACOE by Friday, September 24, 2021.

Extraordinary Cost Pool Claims, Fiscal Year 2020-21
September 7, 2021
Page 4

This bulletin and its attachment are available on the LACOE website at:

<https://www.lacoe.edu/Bulletins.aspx>

Use the "Search" box in the Bulletins section to locate a specific bulletin by number or keyword.

Please contact me at Martinez_Alyssa@lacoe.edu.

Approved:
Octavio Castelo, Director
Business Advisory Services

AM:lm
Attachment

State of California

EDUCATION CODE

Section 56836.20

56836.20. (a) The cost of master contracts with nonpublic, nonsectarian schools and agencies that a special education local plan area enters into shall not include any of the following costs that a special education local plan area may incur:

- (1) Administrative or indirect costs of the special education local plan area.
- (2) Direct support costs for the special education local plan area.
- (3) Transportation costs provided either directly, or through a nonpublic, nonsectarian school or agency contract for use of services or equipment owned, leased, or contracted, by a special education local plan area for any pupils enrolled in nonpublic, nonsectarian schools or agencies, unless provided directly or subcontracted by that nonpublic, nonsectarian school or agency pursuant to subdivisions (a) and (b) of Section 56366.
- (4) Costs for services routinely provided by the special education local plan area including the following, unless the board grants a waiver under Section 56101:
 - (A) School psychologist services other than those described in Sections 56324 and 56363 and included in a master contract and individual services agreement under subdivision (a) of Section 56366.
 - (B) School nurse services other than those described in Sections 49423.5, 56324, and 56363 and included in a master contract and individual services agreement under subdivision (a) of Section 56366.
 - (C) Language, speech, and hearing services other than those included in a master contract and individual services agreement under subdivision (a) of Section 56366.
 - (D) Modified, specialized, or adapted physical education services other than those included in a master contract and individual services agreement under subdivision (a) of Section 56366.
 - (E) Other services not specified by a pupil's individualized education program or funded by the state on a caseload basis.
- (5) Costs for nonspecial education programs or settings, including those provided for individuals with exceptional needs between the ages of birth and five years, inclusive, pursuant to Sections 56431 and 56441.8.
- (6) Costs for nonpublic, nonsectarian school or agency placements outside of the state unless the board has granted a waiver pursuant to subdivisions (e) and (f) of Section 56365.
- (7) Costs for related nonpublic, nonsectarian school pupil assessments by a school psychologist or school nurse pursuant to Sections 56320 and 56324.
- (8) Costs for services that the nonpublic, nonsectarian school or agency is not certified to provide.

(9) Costs for services provided by personnel who do not meet the requirements specified in subdivision (l) of Section 56366.1.

(10) Costs for services provided by public school employees.

(b) A nonpublic, nonsectarian school or agency shall not claim and is not entitled to receive reimbursement for attendance unless the site where the pupil is receiving special education or designated instruction and services is certified.

(Added by Stats. 1997, Ch. 854, Sec. 65. Effective January 1, 1998.)