

FISCAL REPORT

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Extraordinary Cost Pool Changes for 2021-22 and 2022-23



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Editor's Note: This is Part 1 of a two-part article series explaining important changes to Special Education funding relating to reimbursement of extraordinary costs associated with student placements in nonpublic schools and licensed children's institutions.

The California Department of Education (CDE) administers an Extraordinary Cost Pool (ECP), under AB 602 funding, to reimburse Special Education Local Plan Areas (SELPA) for extraordinary costs of single placements in nonpublic schools (NPS) and special education-related services for pupils residing in licensed children's institutions (LCI). SELPAs submit for reimbursement on behalf of member local educational agencies (LEAs) for eligible student placement costs in excess of the annual threshold. Several key changes are impacting the ECP for 2021-22 and 2022-23, including a new format for application and substantial funding increases in the 2022-23 Enacted Budget.

For 2021-22, the threshold amount for SELPAs that are not necessary small SELPAs (NSS) is \$84,933.06. The threshold amount for a NSS is the lesser of \$84,933.06 or 1% of the SELPA's net entitlement for 2019-20 fiscal year. A total of \$6 million is available for extraordinary cost reimbursements: \$3 million for NSS and \$3 million for the statewide ECP. When the reimbursement applications exceed the ECP funds, as has happened for the past decade, all claims are prorated. Applications are due by October 31, 2022.

For 2022-23, the ECP increases to \$20 million, combining pools into one resource and one application process. Prior-year applications for ECP reimbursement recently exceeded \$19 million, substantially more than the \$6 million in available funds. With the increased funding available, there is anticipation that the increased revenues will be sufficient to provide full reimbursement for all claims submitted. Applications for costs in 2022-23 will be due to the CDE in October of 2023.

To be eligible for reimbursement, supporting documentations **must** include the following:

1. A printout of each student's ECP claim report (printed record of the data entry screen)
2. Redacted copies of paid invoices to support the student's claim with the assigned student record number clearly labeled on all documents

ECP claims must be filed using the CDE's Principal Apportionment and Data Collection (PADC) web application. LEAs and SELPAs should review the new [PADC Manual](#) for process and requirements for approvals using the web application, including the new requirement for SELPAs to approve all applications online with a separate SELPA user account at the annual reporting period. This may require creation of SELPA accounts to receive Centralized Authentication System numbers for required authorizers. We will review additional changes to data being collected and provide information on the process in Part 2 of our series in the coming week.

For more information about the Education Code relevant to the ECP, refer to the funding profile for the [Extraordinary Cost Pool for NPS/LCI](#). Additional details about costs are found in the [Education Code Section \(EC §\) 56836.21](#) and [EC §56836.20](#) language.