



## Educationally Related Mental Health Services (ERMHS) Funding Pool Deficit

### Issue

In 2011, AB 114 transferred from county mental health to education, the responsibility for providing mental health services to students with disabilities. The 2011-12 budget provided funding to SELPAs for Educationally Required Mental Health Services (ERMHS) to implement this mandate. Because expenditure of the new funding stream would be an important oversight measure of LEAs effectively discharging the new responsibility, ERMHS funding reserves have intentionally been spent down over time. The projection is that deficit spending in the pool can only be supported through 2019-20 (See table below). Since revenue to the pool is relatively fixed, ongoing expenditures must be restructured to create a self-sustaining pool.

### Background

Allocation Plan language approved by SELPA Superintendents' Council re: the ERMHS funding pool provides:

- 1) An annual maximum allocation to LEAs in the SELPA of \$48 per ADA.
- 2) 100% reimbursement to districts for the room and board costs associated with mental health related residential placements (with back up from the Shared Risk Pool, if needed).
- 3) Annual funding for 1.0 FTE of behavior analyst services to regional program students.
- 4) An annual allocation of \$230,000 to support the delivery of ERMHS services to regional program students.
- 5) An allocation of \$20K for professional development to expand SELPA internal capacity.

| ERMHS Distribution                        | FINAL<br>2015-16 | FINAL<br>2016-17 | FINAL<br>2017-18 | Estimate<br>2018-19<br>(May) | Estimate<br>2019-20<br>(May) |
|---|------------------|------------------|------------------|------------------------------|------------------------------|
| <b>Income</b>                             |                  |                  |                  |                              |                              |
| ERMHS State                               | 1,312,981        | 1,313,229        | 1,326,759        | 1,349,247                    | 1,347,566                    |
| ERMHS Federal                             | 252,410          | 250,327          | 251,544          | 250,563                      | 250,563                      |
| PY Carryover                              | 8,099            |                  |                  |                              |                              |
| Shared Risk Contribution (Residential)    |                  |                  |                  | 283,569                      | 279,437                      |
| <b>Total Available Funding</b>            | <b>1,573,490</b> | <b>1,563,556</b> | <b>1,578,303</b> | <b>1,883,379</b>             | <b>1,877,566</b>             |
| <b>Estimated Costs</b>                    |                  |                  |                  |                              |                              |
| Residential/MH related full year estimate | 141,520          | 189,218          | 255,667          | 534,132                      | 530,000                      |
| Behavior Analyst (SELPA)                  | 187,191          | 353,035          | 214,445          | 178,041                      | 162,059                      |
| Clinician Regional Programs               | 230,000          | 230,000          | 230,000          | 230,000                      | 230,000                      |
| District Allocation                       | 921,913          | 934,850          | 1,038,773        | 986,828                      | 978,907                      |
| Hold Harmless                             | 111,931          | 106,105          | -                |                              |                              |
| COE Charter                               | 11,464           | 11,660           | 11,199           | 9,199                        | 10,769                       |
| Professional Development                  | 20,000           | 20,000           | 20,000           | 20,000                       |                              |
| PY Adjustments                            |                  | 12,696           |                  |                              |                              |
| <b>Total expenditures</b>                 | <b>1,624,018</b> | <b>1,857,564</b> | <b>1,770,084</b> | <b>1,958,200</b>             | <b>1,911,735</b>             |
| Income less expenditures                  | (50,528)         | (294,008)        | (191,781)        | (74,821)                     | (34,169)                     |
| Beginning Balance                         | 721,656          | 671,128          | 377,120          | 185,339                      | 110,518                      |
| <b>Ending Balance</b>                     | <b>671,128</b>   | <b>377,120</b>   | <b>185,339</b>   | <b>110,518</b>               | <b>76,349</b>                |



**SELPA Superintendents' Council Meeting – 6-6-19**  
**ERMHS Funding Pool Deficit – Attachment 9**

**Recommendation**

- As shown in the budget table, the SELPA recommends re-allocating the \$20K allocation for mental health professional development, effective 2019-20.
- Superintendents will need to develop a long term plan to avoid continued deficit spending.

