

# Appendix L

## Mental Health Guidance & Funding

On June 30, 2011, Assembly Bill 114 was signed into law with several sections on Chapter 26.5 were amended or rendered inoperative, thereby ending the state mandate on county mental health agencies to provide mental health services to students with disabilities. As a result, many policies, procedures, and practices which were in place prior to AB 114 may no longer be required. LEAs must rely on the IDEA for requirements regarding the provision of related services and must comply with applicable federal law and implementing regulations.

The California Department of Education (CDE) is committed to assisting LEAs in this process. As part of the Budget Act of 2017-18, the CDE established two specific funding sources to support the transition of services from county mental health agencies to LEAs.

#### **1. Federal Special Education Local Assistance Funding**

The state is distributing \$69 million in federal Individuals with Disabilities Education Act (IDEA) funding only for the purpose of providing mental health related services, including out-of-home residential services for emotionally disturbed pupils, required by an individualized education program (IEP) pursuant to the IDEA and described by *Education Code (EC)* §56363. The California Department of Education (CDE) distributed these funds to special education local plan areas (SELPAs) on an equal ADA rate basis.

To initiate this grant funding, SELPAs were required to provide the CDE with a signed grant assurance document. SELPAs are also required to file periodic fiscal expenditure reports for which CDE will use to issue payment. Each SELPA grant award notice provides the grant amount and the resource code 3327 to use to account for these funds. Payment to SELPA shall be made on the basis of documentation which must provide sufficient detail to enable the grantee to establish a link between the services claimed and the student's IEP. The grant period for funding is July 1, 2017 through September 30, 2019.

#### **2. State Proposition 98 Special Education Local Assistance Funding**

The state is distributing \$365 million in Proposition 98 funding solely for the purpose of providing mental health related services, including out-of-home residential services for emotionally disturbed pupils, required by the federal IDEA and as described in Section 56363 of the *EC*. The CDE is distributing these funds to SELPAs on an equal amount per Average Daily Attendance (ADA).

These funds are allocated to SELPAs through an apportionment process. SELPAs will receive an initial apportionment of 50 percent of the appropriated funds, a second apportionment of 25 percent in the spring 2018 and the remaining final payment at the end of the fiscal year. The CDE assign a restricted resource code 6512 for these funds. There is no reporting requirement and the funds can be carried over indefinitely.

South East SELPA Executive Council approved the method of allocation the above funds based on the average of districts ADA and pupil count. Districts are considering an array of options to provide services that were previously provided by county mental health agencies. Some school districts may continue to contract with county mental health agencies, some may contract with organizations or professionals in the community, some may hire qualified personnel as district staff, or some may use a combination of approaches.

CDE has provided the attached guidance on how to use the funding as well as a reporting system for these expenditures.

## Use of Mental Health Funds

### Placement & Services

- Out-of-home residential services for emotionally disturbed pupils, required by an individualized education program
- Counseling services
- Parent counseling and training
- Psychological services
- Social work services in schools

### Limitations on the Use of State and Federal Funds Provided for Educationally Related Mental Health Services

The legislature was clear that MH funds are targeted for ERMHS services and that the MH funds are made available to LEAs to provide ERMHS formerly provided by the County Mental Health agencies and the Department of Social Services.

The funds **cannot** be spent on educational services that have historically been provided by LEAs for students with emotional or behavioral needs.

### Allowable Uses of State and Federal MH Funds Due to the Term ERMHS

- Salaries of certificated supervisors and administrators; and clerical, technical, and office staff salaries associated with administering ERMHS services for students with emotional or behavioral needs
- Room and board cost of residential placement if it is included in the student's IEP
- Professional and consulting service (e.g., case management, medical services, day treatment, individual therapy, family therapy, group therapy, group rehabilitation, therapeutic behavior services, assessment, psychological services, and residential placement) costs for students with emotional or behavioral needs
- Rental and/or lease of office space to provide professional and consulting services for students with emotional or behavioral needs.
- Transportation costs of student to receive ERMHS from a provider.
- Books and supplies related to providing ERMHS.

### Other Possible Services

- Health & Nursing: Other Services  
For example, prescribing psychiatric medications is a component of 'medication monitoring' under 2 CCR §60020(f). To the extent that only a physician or psychiatrist can perform that service activity, it appears that component would fall under the medical exclusion of the IDEA, which would relieve a school district of the responsibility to provide that particular service. However, when considering a supportive service such as the administration of medication, that service activity may fall under the IDEA definition of "school health services and school nurse services," depending on the child's individualized need for the service and the ability of school personnel to provide the service.

Sources: CDE Jan 2012 Letter, AB 114 Use of MH Funds in the Budget Act 11-12  
CDE September 2011, AB 114: Medication Monitoring  
CDE September 2011, AB 114: Related Services Under IDEA



CALIFORNIA  
DEPARTMENT OF  
EDUCATION

**TOM TORLAKSON**  
STATE SUPERINTENDENT OF PUBLIC INSTRUCTION

January 5, 2012

Dear County and District Superintendents, Special Education Local Plan Area Directors,  
Special Education Administrators at County Offices of Education, Charter School  
Administrators, Principals, and Nonpublic School Directors:

**ASSEMBLY BILL 114: USE OF MENTAL HEALTH FUNDS IN THE BUDGET ACT OF  
2011-12**

The purpose of this letter is to provide background and guidance regarding the use of funds authorized in the Budget Act of 2011-12 restricting the use of certain funds to "educationally related mental health services."

**General Funds**

Pursuant to Assembly Bill (AB) 114, Section 54 (Chapter 43, Statutes of 2011), and provisions 18 and 26 of Item 6110 161-0001 of the Budget Act of 2011-12 funds must be used for:

... educationally related mental health services, including out-of-home residential services for emotionally disturbed pupils, required by an individualized education program pursuant to the federal Individuals with Disabilities Education Act (IDEA) of 2004 (20 U.S.C. Sec. 1400 et seq.) and as described in Section 56363 of the California *Education Code (EC)*. The State Superintendent of Public Instruction shall allocate these funds to special education local plan areas in the 2011-12 fiscal year based upon an equal rate per pupil using the methodology specified in Section 56836.07 of the *EC*.

These provisions have been assigned Resource Code 6512, which differentiates these funds from Resource Code 6500, special education general fund programs. These funds shall be exclusively available for these services only for fiscal year (FY) 2011-12 and FY 2012-13.

**Federal Funds**

Pursuant to AB 114, Section 54 (Chapter 43, Statutes of 2011), provision 9 of Item 6110 161 0890 of the Budget Act of 2011-12, funds shall be available only for the purpose of providing:

... educationally related mental health services, including out-of-home residential services for emotionally disturbed pupils, required by an individualized education program pursuant to the federal IDEA of 2004 (20 U.S.C. Sec. 1400 et seq.) and as described in Section 56363 of the *EC*.

These funds were allocated to special education local plan areas (SELPAs) on a one-time basis

in the 2011–12 fiscal year using data available from the California Special Education Management Information System (CASEMIS) as of December 1, 2010. If funds are appropriated for the purpose of providing the educationally related mental health services for the 2012–13 fiscal year, they will be allocated based on an equal rate per pupil using a methodology specified in Section 56836.07 of the *EC* and using average daily attendance for the 2011–12 fiscal year.

### **Definition of Educationally Related Mental Health Services**

As noted in the provisions above, educationally related mental health services are described in 30 *EC* Section 56363. Section 56363 defines the term "designated instruction and services" to mean "related services" as that term is defined in Section 1401(26) of Title 20 of the *United States Code* and Section 300.34 of Title 34 of the *Code of Federal Regulations (CFR)*.

Related services under IDEA are defined in Section 300.34 of Title 34 of the *CFR*:

Related services means transportation and such developmental, corrective, and other supportive services as are required to assist a child with a disability to benefit from special education, and includes speech-language pathology and audiology services, interpreting services, psychological services, physical and occupational therapy, recreation, including therapeutic recreation, early identification and assessment of disabilities in children, counseling services, including rehabilitation counseling, orientation and mobility services, and medical services for diagnostic or evaluation purposes. Related services also include school health services and school nurse services, social work services in schools, and parent counseling and training. (34 *CFR* 300.34(a))

Section 300.34 of Title 34 of the *CFR* further defines individual related services terms. The following list represents some of the services that may be appropriate when addressing the emotional and behavioral needs of students with disabilities:

- Counseling services (34 *CFR* 300.34(c)(2)) and California *EC* 56363(b)(9)
- Parent counseling and training (34 *CFR* 300.34(c)(8)) and California *EC* 56363(b)(11)
- Psychological services (34 *CFR* 300.34(c)(10)) and California *EC* 56363(b)(10)
- Social work services in schools (34 *CFR* 300.34(c)(14)) and California *EC* 56363(b)(13)

Refer to 34 *CFR* Section 300.34 for the complete list of individual related services terms. Residential placement is not listed as a related service in Section 300.34 of Title 34 of the *CFR*. However, residential placement is addressed elsewhere in the IDEA:

If placement in a public or private residential program is necessary to provide special education and related services to a child with a disability, the program, including non medical care and room and board, must be at no cost to the parents of the child (34 *CFR* 300.104).

In addition, the list of related services in the IDEA is not exhaustive or finite. The individualized education program (IEP) team must decide what related services are necessary to provide a free appropriate public education (FAPE) to each student with a disability.

To maintain clear and understandable terminology based upon existing statute, the California Department of Education (CDE) will be using the term "related services for students who have emotional and behavioral needs" in place of "educationally related mental health services."

## Frequently Asked Questions

### **What limitations are on the use of state and federal funds provided in the Budget Act of 2011-12 for educationally related mental health services?**

The legislature was clear that these funds are targeted for related services and that the funds are made available to local educational agencies (LEAs) to provide services formerly provided by the County Mental Health agencies and the Department of Social Services. The funds **cannot** be spent on educational services that have historically been provided by LEAs for students with emotional or behavioral needs.

### **What are allowable uses of the state and federal funds due to the term "educationally related mental health services"?**

These funds may be used for:

The salaries of certificated supervisors and administrators; and clerical, technical, and office staff salaries associated with administering related services for students with emotional or behavioral needs.

The room and board cost of residential placement if it is included in the student's IEP.

Professional and consulting service (e.g., case management, medical services, day treatment, individual therapy, family therapy, group therapy, group rehabilitation, therapeutic behavior services, assessment, psychological services, and residential placement) costs for students with emotional or behavioral needs.

Rental and/or lease of office space to provide professional and consulting services for students with emotional or behavioral needs.

Transportation costs of student to receive related services from a provider.

Books and supplies related to providing related services.

If you have any questions regarding this subject, please contact Chris Essman, Education Programs Consultant, Special Education Division, by phone at 916-327-3507 or by e-mail at [cessman@cde.ca.gov](mailto:cessman@cde.ca.gov).

Sincerely,

*Original signed by Fred Balcom. Hard copy of the signed document is available by contacting the Special Education Division's Director's Office at 916-445-4602.*

Fred Balcom, Director  
Special Education Division

FB:rb

California Department of Education  
1430 N Street  
Sacramento, CA 95814

Last Reviewed: Monday, January 09, 2012

**RELATED SERVICES\* UNDER  
INDIVIDUALS WITH DISABILITIES ACT (IDEA)**

\* also known as designated instruction and services (DIS)

IDEA RELATED SERVICES	
<p>Educationally-Related Mental Health Services (ERMHS)</p> <ul style="list-style-type: none"> <li>• Counseling services</li> <li>• Parent counseling and training</li> <li>• Psychological services</li> <li>• Social work services</li> <li>• Transportation*</li> </ul> <p>* Only if transportation is for the student to receive ERMHS from a provider</p>	<ul style="list-style-type: none"> <li>• Transportation</li> <li>• Speech-language pathology and audiology services</li> <li>• Interpreting services</li> <li>• Physical and occupational therapy</li> <li>• Recreation services</li> <li>• Early identification and assessment</li> <li>• Orientation and mobility services</li> <li>• Medical services for diagnostic or evaluation purposes</li> <li>• School health services</li> <li>• School nurse services</li> </ul> <p>Note: This is a non-exhaustive list</p>
<p>Resource Codes 6512 &amp; 3327 Resource Code 6500 Other Resource Codes</p>	<p>Resource Code 6500 Other Resource Codes (<b>not 6512 or 3327</b>)</p>

# Mental Health Funding 2018-19

1/29/18 Estimate

## A) Proposition 98 Mental Health Resource 6512/ Object 8590

Received at SELPA per ADA est. **\$6,268,826**  
 SELPA School Base & ED Programs **-\$300,000**  
 To districts **\$5,968,826**

9/29/17 sent  
 4/18/2018 sent

	A1		B1		C1		Mental Health COE/ED block
	P2 16-17 ADA	Allocated \$	December 2016 pupil count	Allocated \$	Average A1 and B1		
Alum Rock 4	10,185.51	10.0%	1,378	\$718,344	\$658,297	329,148	(51,567)
Berryessa 7	7,146.85	7.0%	712	\$419,773	\$395,467	197,734	(37,752)
East Side 52	22,522.28	22.2%	2,454	\$1,322,854	\$1,301,056	650,528	(61,599)
Evergreen 12	11,565.57	11.4%	983	\$679,308	\$512,433	297,935	(70,399)
Fr-McKinley 13	7,756.37	7.6%	824	\$455,573	\$442,560	221,280	(26,400)
Milpitas 85	10,131.75	10.0%	917	\$595,092	\$536,560	268,280	(17,600)
Mt Pleasant 28	2,309.29	2.3%	351	\$135,637	\$159,306	79,653	(15,000)
Oak Grove 30	10,089.65	9.9%	1,198	\$592,619	\$624,511	304,283	(18,832)
Orchard 31	876.54	0.9%	101	\$51,484	\$52,067	26,034	(8,800)
Gilroy 83	10,936.87	10.8%	1,480	\$642,381	\$706,949	353,474	0
Morgan Hill 84	8,101.73	8.0%	1,052	\$475,858	\$512,130	256,065	(6,248)
SELPA	101,622.41	100%	11,450	\$5,968,826	\$5,968,826	150,000	(314,197)

## B) Mental Health IDEA for 7/1/17 - 9/30/19 Resource 3327 / Object 8182

Received at SELPA est. **\$1,183,892**

	A2		B2		C2		Mental Health COE/ED block
	P2 16-17 ADA	Allocated \$	December 2016 pupil count	Allocated \$	Average A2 and B2		
Alum Rock 4	10,185.51	10.0%	1,378	\$142,481	\$130,570	39,013	39,013
Berryessa 7	7,146.85	7.0%	712	\$83,260	\$78,439	0	0
East Side 52	22,522.28	22.2%	2,454	\$262,383	\$258,059	0	0
Evergreen 12	11,565.57	11.4%	983	\$134,738	\$118,188	97,392	97,392
Fr-McKinley 13	7,756.37	7.6%	824	\$90,361	\$87,780	32,156	32,156
Milpitas 85	10,131.75	10.0%	917	\$118,034	\$106,424	49,311	49,311
Mt Pleasant 28	2,309.29	2.3%	351	\$26,903	\$31,598	13,995	13,995
Oak Grove 30	10,089.65	9.9%	1,198	\$117,544	\$120,706	77,130	77,130
Orchard 31	876.54	0.9%	101	\$10,212	\$10,327	716	716
Gilroy 83	10,936.87	10.8%	1,480	\$127,414	\$140,220	119,417	119,417
Morgan Hill 84	8,101.73	8.0%	1,052	\$94,384	\$101,579	45,444	45,444
SELPA	101,622.41	100.0%	11,450	\$1,183,892	\$1,183,892	474,574	474,574

sent 3/26/18



FY xxxx-xxx Mental Health Services, Resource 3327  
 Detail Summary of Mental Health Expenditures

Grantee: Mt Pleasant Elementary School District  
 SELPA Name: South East Consortium  
 Reporting Period #  
 Grant Amount: Grant Award Number: xx-157197-6961-01

Funds are solely for related mental health services that are required in a student's individualized educational program.  
 SELPAs must have backup documentation available on request of the SpEd Division

Object Code/Object Title	Report #	Budgeted Expenditures	Prior Report Expenditures	Cumulative YTD Expenditures	Unspent Balance
<b>1000-1999 Certified Personnel Salaries</b>					
1200 Counselor					
1230 Psychologist					
1300 Certified Supervisors' and Administrators' Salaries (e.g. supervisory mental health staff)					
1900 Other Certified Salaries					
<b>Total Certified Personnel Salaries</b>		\$0.00	\$0.00	\$0.00	\$ -
<b>2000-2999 Classified Personnel Salaries</b>					
2110 Para-Educator					
2300 Certified Supervisors' and Administrators' Salaries					
2400 Clerical, Technical, and Office Staff Salaries					
2900 Other Classified Salaries (e.g. mental health staff hired for campus services)					
<b>Total Classified Personnel Salaries</b>		\$0.00	\$0.00	\$0.00	\$ -
<b>3000-3999 Employee Benefits</b>					
<b>4000-4999 Books and Supplies</b>					
4200 Books and Other Reference Materials					
4300 Materials and Supplies					
4400 Noncapitalized equipment					
<b>Total Books and Supplies</b>		\$0.00	\$0.00	\$0.00	\$ -
<b>5000-5999 Services and Other Operating Expenditures (detail on provider page)</b>					
5100 Subagreements for Services					
5200 Travel and Conferences (e.g., transportation of student to mental health service provider)					
5600 Rentals, Leases (e.g., office space or building to provide mental health related services)					
5800 Professional/Consulting Services and Operating Expenditures (e.g., residential services, psychological services, all other direct mental health services)					
<b>Total Services and Other Operating Expenditures</b>		\$0.00	\$0.00	\$0.00	\$ -
<b>Indirect Allowable Costs: Object Codes 1000-5999 minus 5100</b>					
\$ _____ x CDE Approved Indirect Rate: _____%=\$ _____					
<b>Total Expenditures</b>		\$0.00	\$0.00	\$0.00	\$ -



