Special Education and School-Age Parents Aid Eligibility

Updated June 4, 2019

Introduction

The Special Education and School-Age Parents categorical aid program provides state funding for special education services to children with disabilities, as well as services to school-age parents. School districts, CESAs, CCDEBs, and independent (2r) charter schools can receive aid for special education. Aid for health treatment related to particular disabilities is available to districts, CESAs, and CCDEBs with an approved plan, while aid for school-age parent programs is available only to districts.

Only the excess costs of providing special education to students with disabilities (defined in s. 115.76, Wis. Stats.) and school-age parents are eligible for categorical aid. Aid is available for the salaries and benefits of licensed teachers, aides, and support staff, as well as transportation and a few other specific costs. Staff eligibility for categorical aid depends upon both licensure and assignment. The eligibility requirements for categorical aid are generally stricter than for funding under a federal IDEA grant.

Special Education and School-Age Parents Aid is funded by a 'sum-certain' appropriation in the biennial budget, meaning that a fixed amount of money is available regardless of what LEAs may be eligible for. Because total eligible costs greatly exceed the appropriation, DPI prorates aid payments to a percentage of eligible costs. In recent years the proration rate has been in the range of 25 to 30 percent.

Excess Cost

Special education accounting and funding are based on the principle of **excess cost**. For something to be an excess cost of special education, it must be a cost that would not otherwise exist but for the need to provide a free appropriate public education (FAPE) to students with disabilities, as specified in their individual education plans (IEPs). This is different from a cost allocation model where costs are attributed to various centers by percentage of time, numbers served, or revenue.

Cost Reporting

Special education and school-age parent expenditures and revenues are coded to Fund 27 under the Wisconsin Uniform Financial Accounting Requirements (WUFAR). LEAs report Fund 27 expenditures (not revenues) to DPI through the PI-1505-SE Special Education Annual Report. The PI-1505-SE collects more detail than the full PI-1505 Annual Report required for districts, although the two reports are linked and checked against each other. The two main differences are that the PI-1505-SE includes more function detail than the PI-1505, and it requires that expenditures be reported with **project codes**. A project code describes the funding source or eligibility of a particular expenditure. Local costs eligible for categorical aid are coded to **project 011**, while non-eligible costs are coded to **project 019**. There are other project codes for grant-funded costs and special programs. The *Project Codes* section at the end of this document defines the project codes used in the PI-1505-SE.

Eligible and Non-Eligible Costs

This section describes which special education and school-age parent costs are or are not eligible for categorical aid. The Fund 27 Matrix (available on the SFS WUFAR page) is a schematic of the account codes allowed for aid-eligible and other costs in Fund 27. **However, the Fund 27 Matrix does not define eligible costs—if there is any conflict or ambiguity between the Fund 27 Matrix and this document, this document takes precedence.**

Note on External Funding

Any cost funded by IDEA, Title I, or another external grant program is not eligible for categorical aid. The descriptions that follow assume that a cost is local, paid with the LEA's own funds (property taxes and other local revenues, plus general state aids). Costs paid by another eligible LEA with grant funds should be coded to the appropriate project or resolved in the PI-1505-SE grant reconciliation process. Costs partly reimbursed as Medicaid school-based services (SBS) remain eligible for categorical aid due to the difficulty of tying Medicaid payments to specific expenditures.

Note on Non-Instrumentality Charter Schools

Costs for special education and school-age parent staff employed by a non-instrumentality charter school are eligible for categorical aid under the same requirements as district-employed staff. Specialized transportation provided by a non-instrumentality charter school is also eligible, under the same requirements as any other contracted specialized transportation. Because WUFAR is not fully compatible with coding non-instrumentality charter school costs, the contracting district submits a separate claim which is added by DPI as a positive adjustment to their eligible costs reported on its PI-1505-SE. The claim form is available on the SFS Fiscal Reporting page.

Staff Costs

Most of the costs of special education and school-age parent teachers and aides, as well as certain support and transportation staff, are eligible for categorical aid. All staff (except drivers) must be appropriately licensed by DPI for their assignment to be eligible. Eligible contracted staff are subject to the same licensure requirement as employees. Auditors will check staff against the "'Special Education Licensure/Pupil Services' Information" report they access in the School Finance Reporting Portal, which is based on the PI-1202 position and assignment report. Only the portion of an employee's time (FTE) in a special education or school-age parent assignment is eligible. License requirements by WUFAR function are specified in "Valid Reporting and License Codes for Special Education/Pupil Services Staff" and available on the SFS Eligibility and Coding page.

Instructional Staff

Special education instructional staff—teachers and aides—are eligible for categorical aid provided they have a valid DPI license for their area and grades of assignment. Instruction must be delivered as required by students' IEPs. Extended school year (ESY) instruction provided during the summer as required by students' IEPs is eligible, but summer school is not. Long-term (45 days or more) substitute teachers have the same license requirements as permanent teachers. Short-term (less than 45 days) substitute teachers are eligible with any valid DPI educator license.

Eligible special education instructional staff are coded to the following WUFAR functions:

152 000	Early Childhood	156 800	Hospital[3]	174 100	SAP Classroom
156 100	Deaf/Hearing Imp.	158 000	Combined Cost	174 200	SAP Homebound[1]
156 200	Homebound[1]	159 100	Program Aide	436 000	Contracted Instr.[4]
156 600	Speech/Language[2]	159 200	Short-Term Sub.		
156 700	Visually Impaired	159 300	Specialty Teacher		

(1) Instruction is provided in a homebound setting.
(2) Includes speech/language instruction and instructional support only.
(3) Costs are governed by s. 118.255, Wis. Stats., and require the approval of the director of the DPI Special Education Team. Currently, only the Madison and Wauwatosa districts are eligible.
(4) Any contracted instructional service is coded to function 436000, with a 300-series object. Contracted support services are coded to their respective functions.

Support Staff

Licensed social workers, guidance counselors, school nurses, psychologists, occupational and physical therapists, and special education directors are eligible for categorical aid. The maximum portion of a social worker's, counselor's, nurse's, or psychologist's salary eligible for categorical aid is set by law and administrative rule (see "Act 221 Positions," available on the SFS Eligibility and Coding page for more details). The full amount of an occupational or physical therapist's or special education director's salary is eligible. Other support staff (e.g. clerical workers, attendance secretaries, pupil services directors, principals) are not eligible.

Eligible special education support staff are coded to the following WUFAR functions:

212 000	Social Work (59% max.)	218 100	Occupational Therapy
213 000	Guidance (10% max.)	218 200	Physical Therapy
214 000	Health (29% max.)	223 300	Spec. Ed. Supv. & Coord.
215 000	Psych. Services (84% max.)		

Note that contracted support services are coded to their respective functions, not to function 436000, with a 300-series object.

Specialized Transportation Staff

The driver of a specialized transportation route is eligible for categorical aid, for the portion of their time attributable to that route, and does not require a special education-specific license (see the *Specialized Transportation Costs* section for details on route eligibility). A bus aide assigned to assist a student with transportation as required by their IEP is also eligible, with the same licensure requirement as any other special education aide. Eligible transportation staff are coded to the following WUFAR functions:

256 240	District Transp. – Co-Curricular	256 740	Contract Transp. – Co-Curr.
256 250	District Specialized Transp.	256 750	Contract Specialized Transp.
256 270	District Transp. – Field Trips	256 770	Contract Transp. – Field Trips
256 290	District Transp. – Other	256 790	Contract Transp. – Other

Note that contracted transportation services are coded to their respective functions, not to function 436000, with a 300-series object.

Salaries and Employee Benefits (Objects 100 and 200)

Employee benefits are eligible only when associated with salary.

Aid-Eligible Costs (Project 011)

- Salaries and wages (object 100).
- Bonuses, lump-sum payments, or stipends (e.g. fixed travel allowances, technology stipends). These are all considered taxable income (object 100).
- Retirement contributions not to an employee benefit trust (objects 211, 212, and 219).
- Contributions to an employee benefit trust (object 218) up to—but not greater than—the actuarially-required contribution (ARC) under the following requirements:
    - Contributions are allocated in a manner consistent with the pattern of benefits attributable to eligible individuals or groups of employees.
    - Contributions in the first fiscal year of a trust may not exceed the ARC. Contributions in subsequent years must meet one of three criteria:
        - The contribution is equal to the ARC, as determined by the actuarial valuation;
        - The contribution exceeds current year trust expenditures (the total amount withdrawn for retirees including the implicit rate subsidy) by 5%; or
        - Contributions in the current and two prior years exceed trust expenditures (the total amount withdrawn for retirees including the implicit rate subsidy) in the current and two prior years by 5%.
- FICA contributions (object 220).
- Life (object 230), health (240), and other employee insurance (250).
- Annuity payments and other benefits considered income (detail objects 292, 293, 295, and 296). This includes only the actual benefit, not fees charged for plan administration.

Non-Eligible Costs (Project 019)

- Salaries and benefits for unlicensed staff or staff not licensed for their assignment, including teachers working outside their area and grade range, clerical support staff, and LPNs.
- Salaries and benefits contracted from another aid-eligible LEA (CESA, CCDEB, district, or 2r charter school). Contracted instructional services are coded to function 436000.
- Salaries and benefits for permanent teachers contracted from a private entity. Contract substitute teachers and aides may be eligible but are coded to object 370—see *Purchased Services* in this subsection for details.
- Any substitute for an employee attending an in-service or other training—this is a cost of the training, not a cost of instruction, and is coded to function 221300.
- Benefits not associated with salary.

- Reimbursements of college credits and other miscellaneous personal business expenses (e.g. license fees, mobile phones, physical examinations) coded as object 290 benefits.
- Professional liability and workers' compensation insurance. These expenses are coded to function 270000, objects 711 and 713 (respectively) and are not eligible.
- Costs associated with departing employees such as early retirement, contract cancellation, court settlements, or post-employment salaries and benefits. Unemployment payments are eligible for aid up to one year after termination—see the *Other Staff Costs* in this subsection for details.
- Costs associated with former employees such as "pay-as-you-go" post-employment benefits.
- Contributions to an employee benefit trust (object 218) in excess of the ARC, made for a select group of employees, or determined using a terminal method (based on valuation at the time of termination or retirement).

Purchased Services (Object 300)

Aid-Eligible Costs (Project 011)

Only the salary and benefits of contracted staff are eligible for aid. Charges that would not be eligible for the LEA (e.g. service fees, administrative overhead) are not eligible when contracted.

- Contracted, licensed occupational therapists, physical therapists, and bus aides (object 310).
- Employee travel for homebound instruction (functions 156200 and 174200, object 342).
- Privately-contracted, licensed substitute teachers, aides, and providers of instructional audiology, interpreter, orientation and mobility training, and pupil transition services (function 436000, object 370). This does not include a substitute for an employee attending an in-service or other training.

Non-Eligible Costs (Project 019)

- Staff contracted from another eligible LEA (CESA, CCDEB, district, or 2r charter school). The employing LEA should transit any categorical aid received to the contracting LEA.
- Any substitute for an employee attending an in-service or other training—this is a cost of the training, not a cost of instruction, and is coded to function 221300, object 310.
- All other purchased services.

Other Staff Costs (Objects 400 through 900)

Aid-Eligible Costs (Project 011)

- Unemployment compensation (function 270000, object 730) to former staff for up to one year from the date of termination. Staff must have been appropriately licensed for their most recent assignment.

Non-Eligible Costs (Project 019)

- Professional liability and workers' compensation insurance (objects 711 and 713).
- Fees for plan administration and ACA-related charges (object 940).
- All other staff costs.

Specialized Transportation Costs

Specialized transportation is any transportation service provided in fulfillment of a student's IEP. The IEP must document a student's specific need for transportation—a student does not require specialized transportation simply by virtue of having an IEP. The eligibility of specialized transportation for categorical aid is determined by the route. Generally, a route must serve only students with IEP-documented transportation needs, although there are extremely limited exceptions. See the SFS Eligibility and Coding page for more guidance on specialized transportation eligibility.

Eligible specialized transportation costs are coded to the following WUFAR functions:

256 240	District Transp. – Co-Curricular	256 600	Vehicle Servicing
256 250	District Specialized Transp.	256 740	Contract Transp. – Co-Curr.
256 270	District Transp. – Field Trips	256 750	Contract Specialized Transp.
256 290	District Transp. – Other	256 770	Contract Transp. – Field Trips
256 500	Vehicle Repairs	256 790	Contrant Transp. – Other

Salaries and Employee Benefits (Objects 100 and 200)

Salaries and benefits for specialized transportation drivers and licensed bus aides are eligible for the time they are assigned to an eligible specialized route. Aid-eligible and non-eligible salary and benefit costs are described in the *Staff Costs* section.

Purchased Services (Object 300)

Aid-Eligible Costs (Project 011)

- Contracted, licensed bus aides (function 256750, object 310).
- Maintenance services for vehicles purchased, leased, or rented with aid-eligible or IDEA grant funds and utilized exclusively for specialized transportation (functions 256500 and 256600, objects 310 and 320).
- Contracted specialized transportation (object 341). Only the portion of contracted costs that would be eligible if operated by the district—e.g. driver salaries and benefits, fuel, maintenance, leasing cost, insurance—is eligible for categorical aid.
- Fuel for specialized transportation vehicles, or fuel used in the maintenance of vehicles purchased, leased, or rented with aid-eligible or IDEA grant funds and utilized exclusively for specialized transportation (object 348).
- Communication or information technology costs for vehicles purchased with aid-eligible or IDEA grant funds and utilized exclusively for specialized transportation (objects 350 and 360).

- *With the approval of the director of the DPI Special Education Team*, pupil lodging and meals provided in lieu of transportation (function 256912, object 345).
- Travel to and from WCVBI or WESP-DHH (the state schools for students with visual or hearing impairments) billed by DPI (function 256750, object 387).

Non-Eligible Costs (Project 019)

- All other purchased services.

Other Transportation Costs (Objects 400 through 900)

Aid-Eligible Costs (Project 011)

- Non-capital equipment for maintenance of vehicles purchased or leased with aid-eligible or IDEA grant funds and utilized exclusively for specialized transportation (400-series objects).
- Purchase or replacement of accessibility equipment with a unit cost less than $10,000, required to fulfill particular students' IEPs (objects 550 and 560).
- *With prior approval of the director of the DPI Special Education* Team, purchase or replacement of accessibility equipment with a unit cost of at least $10,000, required to fulfill particular students' IEPs (objects 550 and 560).
- *With prior approval of the director of the DPI Special Education Team*, purchase or replacement of vehicles utilized exclusively for specialized transportation (objects 550 and 560).
- Leasing or rental of vehicles or vehicle equipment utilized exclusively for specialized transportation (object 570). Vehicles or equipment must be owned by the lessor/renter before, during, and after the lease/rental term. Vehicles acquired under a capital lease ("lease-to-own") arrangement are considered purchases and require prior approval—see the SFS Eligibility and Coding page for more information.
- Insurance premiums for vehicles utilized exclusively for specialized transportation (function 256800, objects 711, 712, 715, and 719). If an insurance claim is paid, the total eligible insurance costs for that year must be reduced by the amount of the claim (that amount is coded to project 019). If insurance claims exceed costs in a fiscal year, contact the School Financial Services Team consultant.
- Admission fees for a field trip with an educational purpose specified in a student's IEP (function 256270, object 940).

Non-Eligible Costs (Project 019)

- All other transportation costs.

Other Eligible Costs

Other than eligible staff or specialized transportation, there is only one cost eligible for categorical aid:

- *With the approval of the director of the DPI Special Education Team*, tuition to a district in Illinois, Iowa, Michigan, or Minnesota (function 436000, object 384).

All other Fund 27 costs are non-eligible.

Aid Transits

An eligible LEA providing special education or school-age parent services to another eligible LEA is required to transit any categorical aid it receives for those services. Regardless of whether a particular cost is contracted as a purchased service, included in a 66.0301 agreement, or part of a student's tuition, the agency that actually employs the staff and provides the service being contracted is the agency that receives and transits any categorical aid. When more than two agencies are involved—such as with a CESA contracting staff from one district on behalf of another—aid transits must form a single chain linking the LEA providing a service to the one ultimately paying for it, even if the intermediate agency is not itself eligible to receive categorical aid. Aid is not transited in the year services are provided, but in the following year when aid is received.

Transaction Coding

Direct from Contractor LEA to Contracting LEA

- Contractor LEA: Aid transit expenditure to WUFAR account 27E-491000-936-019
- Contracting LEA:
  - Contractor LEA is a district: 27R-000000-316
  - Contractor LEA is a CCDEB: 27R-000000-513
  - Contractor LEA is a CESA or other entity: 27R-000000-516

Via a Third-Party LEA

- Contractor LEA: Aid transit expenditure to WUFAR account 27E-491000-936-019
- Third-Party LEA:
  - Aid transit revenue to WUFAR account 27R-000000-316
  - Aid transit expenditure to WUFAR account 27E-491000-936-019
- Contracting LEA: Aid transit revenue to the appropriate WUFAR account
  - Third-party LEA is a district: 27R-000000-316
  - Third-party LEA is a CCDEB: 27R-000000-513
  - Third-party LEA is a CESA or other entity: 27R-000000-516

Package Programs

The sole exception to the rule that the LEA providing services receives the aid is a **package program**, in which a CESA or CCDEB acts as fiscal agent for a consortium of districts but staff are employed by the districts, not the CESA or CCDEB, which essentially "rents out" services from participating districts to the consortium as a whole. In a package program, the fiscal agent—not the employing district—receives the categorical aid and transits it to participating districts.

Districts code the costs of staff and services they provide to the program using **project 091** (CESA) or **project 092** (CCDEB) and reimbursements for those costs to source 546 (CESA) or 536 (CCDEB). The actual services received from the package program and resulting aid transits are handled as with any other service contracted from an eligible LEA.

Project Codes

The WUFAR project code attached to a Fund 27 expenditure describes the source of its funding and, where applicable, its purpose or eligibility for categorical aid. Project codes are used in the PI-1505-SE Special Education Annual Report to define aid-eligible costs and monitor IDEA Maintenance of Effort.

Local Costs

011 LOCAL AID-ELIGIBLE
The expenditure is paid with the LEA's own funds, not grant or other external funds, and is eligible for state special education and school-age parents categorical aid. Aid received the following year from the expenditure is coded to source 611.

019 LOCAL NON-ELIGIBLE
The expenditure is paid with the LEA's own funds, not grant or other external funds, but is not eligible for state special education and school-age parent's categorical aid.

IDEA-Funded Costs

340 DIRECT IDEA GRANT
The expenditure is paid with federal IDEA funds awarded to the LEA. This is a summary project that rolls up detail projects 341 (IDEA flow-through), 347 (IDEA preschool), and discretionary projects 342, 348, and 349.

317 DISTRICT IDEA TRANSIT
The expenditure is paid with federal IDEA funds awarded to another school district.

517 CESA/CCDEB IDEA TRANSIT
The expenditure is paid with federal IDEA funds awarded to a CESA or CCDEB. Since DPI begin paying third-party administered IDEA flow-through and preschool funds directly to districts, project 517 is mainly limited to IDEA discretionary awards, such as CESA training grants.

Package Program Costs

091 CESA PACKAGE PROGRAM
Districts: The expenditure is paid with the LEA's own funds as staff or services provided to a CESA-administered package program. It is not for services received from the package program. Reimbursements are coded to source 546.
CESA: The expenditure is a reimbursement to a participating district for their staff and services in the package program.

092 CCDEB PACKAGE PROGRAM
Districts: The expenditure is paid with the LEA's own funds as staff or services provided to a CCDEB-administered package program. It is not for services received from the package program. Reimbursements are coded to source 536.
CCDEB: The expenditure is a reimbursement to a participating district for their staff and services in the package program.

State Grant-Funded Costs

599 DIRECT STATE GRANT
The expenditure is paid with funds from a state grant program awarded to the LEA.

450 DIRECT STATE GRANT
Special Education State Grants direct from DPI.

315 DISTRICT STATE TRANSIT
The expenditure is paid with funds from a state grant program awarded to another school district.

515 CESA/CCDEB STATE TRANSIT
The expenditure is paid with funds from a state grant program awarded to a CESA or CCDEB.

Title I-Funded Costs

140 TITLE I-D GRANT
The expenditure is paid with ESEA Title I-D funds awarded to the LEA.

141 TITLE I-A GRANT
The expenditure is paid with ESEA Title I-A funds awarded to the LEA.

151 TITLE I SIG
The expenditure is paid with ESEA School Improvement Grant funds awarded to the LEA.

June 4, 2019: Removed language regarding any cost contracted in turn by a non-instrumentality charter school to another entity is not eligible special education categorical aid. rlb

May 28, 2019: Added Project 450; Added Project 140; Removed Project 836. rlb

April 22, 2016: Reworded descriptions of eligible and non-eligible object 290 benefits to eliminate references to tax status.

July5, 2017: Changed short-term sub from 20 to 45 days per PI-34.