

High Cost Special Education Aid Program Guidance

February 2023

Effective for 2022-23 claims on 2021-22 students and costs

The high cost special education aid program provides partial reimbursement of certain special education costs for school districts, CESAs, CCDEBs, and operators of independent charter schools. Applicants are eligible for additional aid if the applicant¹ incurred, in the previous school year, more than \$30,000 of non-administrative costs for providing special education and related services to a child, and those costs were not eligible for reimbursement under the state special education and school age parents aid program, the federal Individual with Disabilities Education Act or other grant programs, federal Medicaid², or revenue from an Open Enrollment transfer based on the exact cost of special education and related services.

Costs Reimbursable Through High Cost Special Education Aid

Only Non-Administrative Costs Qualify: Non-administrative costs are costs of providing special education and related services to an individual child with disabilities, excluding clerical or administrative costs. Excluded clerical or administrative costs include salaries and fringe benefits of principals, special education directors or pupil services directors, and costs related to the documentation and management of individualized education programs or caseloads.

If a cost includes both non-administrative and clerical or administrative components which cannot be separated, then the non-administrative component to be identified is 90 percent of that cost. This may be particularly true for private tuition as few private schools bill separately for administration or overhead.

Costs by Funding Source

When adding a cost in the claim form, it must be placed into one of four categories by its funding source:

- **Aid Eligible (Projects 011, 091 & 092):** The cost was funded with local dollars and is eligible for state categorical Special Education and School-Age Parents (SPED/SAP) Aid directly to the LEA. Such costs are coded with WUFAR project 011, or as a project 091 or 092 package program.
- **Aid Eligible (Project 019, 380 Objects):** The cost was funded with local dollars, purchased from a CESA or school district, and is eligible for SPED/SAP Aid via an aid transit.³ Such costs are coded with WUFAR project 019 and object 382 (district), 383 (CCDEB), or 386 (CESA).⁴

¹ A school district, cooperative educational service agency, county children with disabilities education board, or operator of a charter school established under s. 118.40 (2r) or (2x), Stats.

² The total amount of claims for Medicaid School-Based Services (SBS) provided to the child during the school year.

³ A cost that would be aid-eligible but was coded in error by the LEA as non-aidable (project 019) cannot be claimed for High Cost Special Education Aid as "Other Local" for reimbursement in its full amount. A cost that would ordinarily be aidable but the LEA was not in compliance with the eligibility requirements for SPED/SAP Aid (e.g. staff without a valid license, ineligible specialized transportation) cannot be claimed at all.

⁴ A cost contracted from an independent (2r) charter school is also aidable, even though it is coded to project 019 with object 310 or 370.

- **Other Local (Project 019):** The cost was funded with local dollars but is not eligible for SPED/SAP Aid, either directly to the LEA or as an aid transit. Such costs are coded with WUFAR project 019 and the full amount is eligible for reimbursement.
- **All Grant-Funded:** The cost was funded with IDEA, other federal or state⁵ grant funds, or private gifts and grants. The cost is not itself eligible for reimbursement, but the amount counts toward the \$30,000 eligibility threshold.

The funding category drives how a cost is factored into the eligibility and aid payment calculations.

Cost Identification Methods

There are three ways for an applicant to identify non-administrative costs it incurred for special education and related services:

1. **Child-Specific:** Costs of salary and fringe benefits, purchased services, placement, transportation, supplies, depreciation, and extended school year that are **particular to a child**.
2. **Program:** The costs of salary and fringe benefits, purchased services, transportation, supplies, and depreciation that are **particular to a program**. A program is a set of special education and related services for the child and other children identified with the same disability-related needs. Cross-categorical instruction, transition services, and early childhood special education are specific types of programs, but the applicant may offer other sets of services (e.g. speech/language, specialized transportation) as appropriate.
3. **Specified Services:** The costs of salary and fringe benefits, purchased services, and supplies for the **provision of specified services**, which are nursing, social work, psychology, guidance counseling, speech-language pathology, and audiology.

The applicant may not identify the same expenditure more than once; a given expenditure must be either Child-Specific, Program, or Specified Services.

Types of Eligible Costs

<i>Cost</i>	<i>Definition</i>
Equipment Depreciation	Value decrease 20 percent of the original acquisition and setup cost of an item of equipment ⁶ used by a child or program during the school year in which it was purchased or in any of the four subsequent school years, whether the item was purchased with cash or the proceeds of a capital lease, and provided that the item has been used exclusively for the provision of special education and related services since its acquisition.
Salary/Benefits	The costs of salary and fringe benefits for properly licensed staff providing support or instruction to a particular child or a program, specifying the portions of those costs that are aid eligible and grant funded.
Extended school year	Required special education and related services provided at no cost beyond the limits of the school term in accordance with the child’s individualized education program.
Placement	The enrollment of a child by an entity other than the applicant, to whom the applicant pays tuition and other costs of special education and related services.

⁵ State categorical aids, including SPED/SAP Aid and High Cost Special Education Aid, are not grants.

⁶ Vehicles or other items of movable property with a unit cost of \$5,000 or more and an expected service life of more than one year.

<i>Cost</i>	<i>Definition</i>
Purchased services	Contracted instructional, professional, and technical services, and rental of equipment.
Specified services	Nursing, social work, psychology, guidance counseling, speech-language pathology, and audiology.
Supplies	Consumable items and other movable property not defined as equipment.
Transportation	Special or additional transportation as defined under s. 115.88 (2m) (a), Stats.

Claim Documentation

An LEA should be prepared to provide documentation on the specific costs being claimed for each student. If there are questions about an LEA's claim and its costs cannot be documented, the claim may be disqualified. Appropriate documentation starts with the IEP—services included in the claim must be specified in the IEP and tied to the child's disability-related needs and program. **Additional documentation should connect each cost back to the IEP, demonstrating that it is an actual, additional cost of special education specific to the student.** Examples of appropriate documentation that will help connect the IEP to the claim include, but are not limited to:

- **Daily schedules:** A schedule of the student's day showing where and how a student is served is often useful, particularly when a particular service (e.g. one-on-one aide support) is provided by multiple individuals over the course of the day. Staff schedules can be helpful, but they need to show clearly which services are being provided to whom throughout the day.
- **Payroll records:** A report or other record of the salary and benefits paid to an individual can document the amount being claimed for a service. However, a payroll record in and of itself does not document the service as being an actual, additional cost tied to one student's IEP.
- **Invoices:** An invoice should include not only the amount being billed, but also a description of the service or item provided.

High Cost Special Education Aid and IDEA Maintenance of Effort

IDEA regulations (34 CFR §300.204 (e)) allow high cost aid reimbursements as an exception for IDEA Maintenance of Effort (MOE) to lower an LEA's local special education costs from one year to the next. When an LEA receives High Cost Special Education Aid it reduces the Fund 10 to Fund 27 transfer used in MOE tests 2 and 4, the "local-only" tests.

If an LEA fails to meet all four MOE compliance tests, and it received High Cost Special Education Aid in the year being tested, DPI will add an administrative exception for the amount of High Cost Special Education Aid received. No exception will be added if at least one MOE compliance test is met.