

Overview of Special Education Funding

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IDEA PART B FUNDS
STATE SPECIAL EDUCATION CATEGORICAL AID
HIGH COST

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Questions, Questions, Questions

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Submit Questions:

<https://sites.google.com/a/dpi.wi.gov/federal-funding-questions/>

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Local

- Tax base
- Covers the majority of expenditures

State

- Categorical Aids
- High Cost fund

Federal

- IDEA Entitlement
- High Cost fund
- Medicaid

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Funding Sources

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- IDEA Entitlement Funds
 - Flow-Through (FT)
 - Preschool (PS)
- Special Education High Cost Aid
- Discretionary Grants
- Medicaid
- State Special Education Categorical Aid

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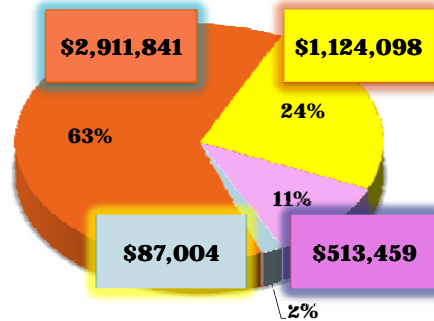
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Funding source break down for an LEA with a student population of 3,262

For this LEA, special education costs for a fiscal year totaled \$4,636,402

Special Education Funds

Local State IDEA Medicaid



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In Wisconsin, the “LEA” with FAPE responsibility is the only subrecipient of the IDEA entitlement grants

Under Wisconsin statute, the following agencies are responsible for FAPE:

- School districts
- Independent charter schools (2r)
- Department of Corrections
- Department of Health Services

Other agencies, such as CESAs and CCDEBs, are not responsible for FAPE and are thus not eligible for IDEA entitlement

Eligibility for IDEA Entitlement

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Entitlement funds under IDEA are awarded on a non-competitive basis for programs and services to students with disabilities

Preschool (PS)

Provides funds for special education services to children ages 3 to 5

Flow-through (FT)

Provides funds for special education services to children ages 3 to 21

Types of IDEA Entitlement Grants

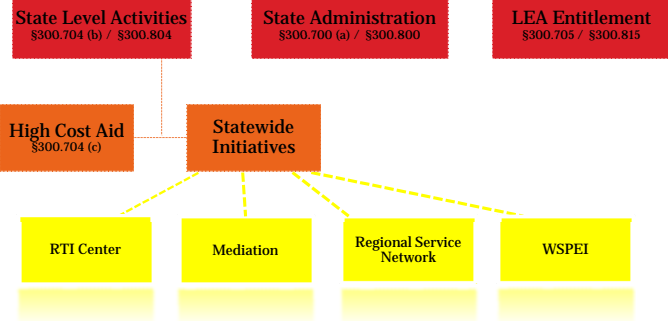
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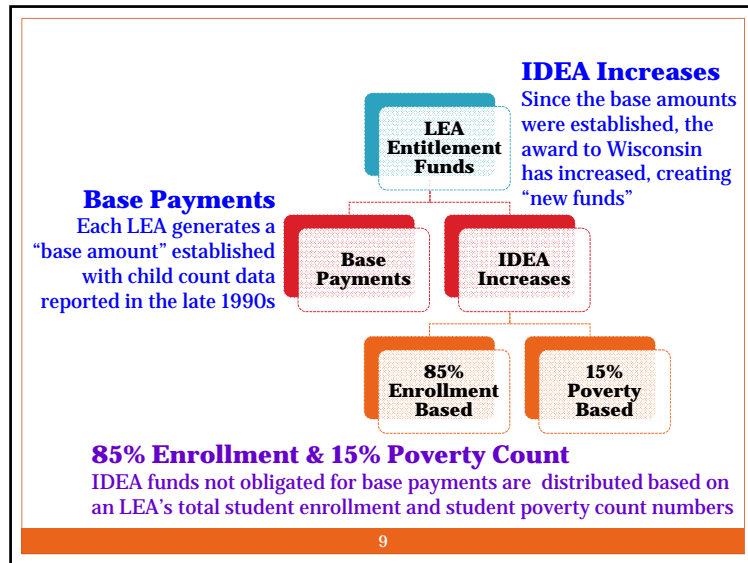
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SEA's Award

34 CFR §300.700 & §300.800



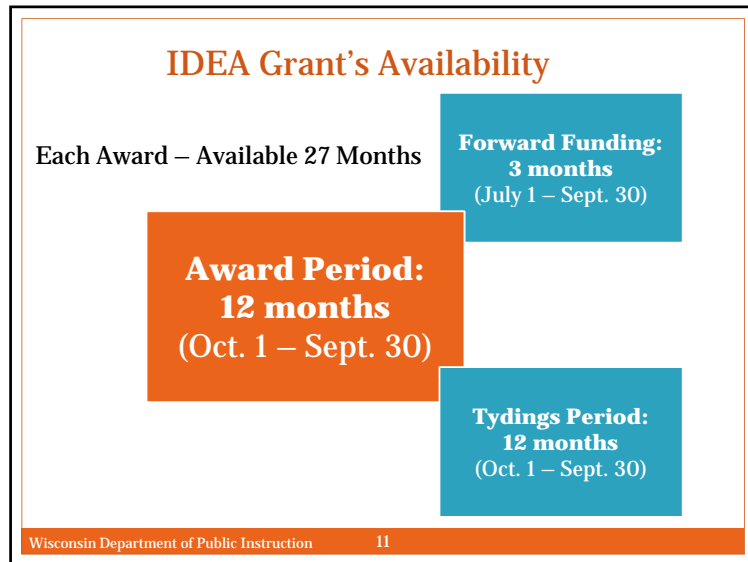


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This is an example of an LEA's allocation calculation for IDEA flow-through funds

Base Pay Amount	Total Student Enrollment	Title I Poverty Count	Total FT Allocation
Based on 1999 Child Count	85% of the new funds	15% of the new funds	Base + New Money
66 Students	4,500 Students	1,000 Students	
\$155,063	\$293,756	\$51,840	\$500,659

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Carryover Rules (IDEA)

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- Each federal funding source has its own rules on:
 - Funding Availability
 - Carryover
- IDEA's Rules:
 - Funding is available for 27 months
 - Total amount of allocation is available for the 27 months
 - ✦ No limit on the amount that "carries over" into the next fiscal year

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"Obligation Period"

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- Obligation: A transaction that requires payment.
- "Obligation Period": The same as the 27 months of grant availability.
 - Allowed Grant Charge:
 - ✦ Transaction on August 15; Grant began on July 1
 - Not Allowed Grant Charge:
 - ✦ Transaction on June 25; Grant begins on July 1
 - ✦ Transaction on October 15; Grant ended on September 30

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LEA Obligation Period

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Begins July 1

if...

LEA submits IDEA application in substantially approvable form by July 1

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LEA Obligation Period

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AVAILABILITY OF FUNDS

July 1, 2011 – September 30, 2013

OBLIGATION PERIOD

August 1, 2011 – September 30, 2013

Cost A
July 15

NOT
ALLOWED

Cost B
August 15

ALLOWED

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IDEA Allowable Costs

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- The federal regulation at §34 CFR 300.184 governs the expenditure of IDEA funds. Only the **excess costs** of providing special education and related services may be charged to the flow-through or preschool entitlement grants.
- Individual student services must be IEP driven.

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Guiding “Excess Cost” Questions

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In the absence of special education needs, would this cost exist?

If the answer is...

- No, then the cost may be eligible
- Yes, then the cost is not allowed

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Guiding “Excess Cost” Questions

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Is this cost also generated by students without disabilities?

If the answer is...

- Yes, then the cost is not allowed
- No, then the cost may be eligible

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Guiding “Excess Cost” Questions

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If it is a child specific service, is the service documented in the student’s IEP?

If the answer is...

- Yes, then the cost may be eligible
- No, then the cost is not allowed

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Allowable Costs Document

Allowed	Not Allowed	Budget Item	Special Requirements or Additional Information
		ATTORNEY'S FEES-PARTY TO AN ACTION: Attorney fees for IDEA state complaints, due process hearings, representation at IEP team meetings, facilitated IEP team meetings, mediation sessions, or any student-specific consultation.	Fund may not be used to pay attorney's fees for a party or related costs for depositions, expert witnesses, settlements, or other related costs. Funds may be used to pay costs of conducting a due process hearing, e.g., paying a hearing officer and providing a place for the hearing.
		ATTORNEY'S FEES - DOCUMENT PROCESSING	
		ATTORNEY'S FEES - PROFESSIONAL DEVELOPMENT / POLICY DEVELOPMENT: Contracted staff training, in-service, or policy development and review.	
		AUDIT COSTS: Audits required by the Single Audit Act.	The costs of auditing the IDEA required by, and performed in accordance with, the Single Audit Act, as implemented by OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" are allowable. Other IDEA audit costs are not allowed as direct costs. They are included in the indirect cost rate. Only the costs for the IDEA portion of the Single Audit may be charged to IDEA. IDEA Single Audit costs are budgeted under Purchased Services - Single Audit (IDEA portion), which is coded 231700, object 310.

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Examples of Allowable Costs

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- Special Education Staff (Directors and Assistant Directors, teachers, paraprofessionals)
- Related services (Physical Therapy, Occupational Therapy, Speech & Language)
- Assistive Technology equipment
- Professional Development
- Student transition services (work experience) Remodeling
- Construction
- Vehicle purchase
- Non-Capital and Capital Equipment
- Software
- Curriculum

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"Allowed" Contracting Costs

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- LEAs may contract with a CESA, CCDEB, or another LEA for any special education services
- LEAs may contract with a private vendor for services provided directly to the student in:
 - Nursing, Occupational and Physical Therapy
 - Audiology Services and Educational Interpreters
 - Speech / Language
 - Orientation and Mobility Instruction
 - Transition Services for 18 to 21-year-olds.

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Non-allowable Costs

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- Costs that are generated by all students, not just students with disabilities
 - Core curriculum
 - District IT costs
- Services that a district would normally provide all students (a safe environment, heat, janitorial services, utilities, general education instruction) are thus not an "excess cost" and not allowed as IDEA budget expenditures.

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Common “Unallowed” Costs

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- Flat-rate open enrollment tuition amount
- Medicaid Administration
- Prorating equipment
- LEAs may **NOT** contract with a private vendor for services provided directly to the student in:
 - Psychological Services or Autism Services
- LEAs may **NOT** contract with a private vendor for the following positions:
 - Teachers
 - Paraprofessionals
 - Guidance Counselors
 - Social Workers

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Coordinated Early Intervening Services (CEIS)

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- LEA may use up to 15% of Part B IDEA funds to develop and implement CEIS
- CEIS funds may be used to provide intervention services to students in K-12:
 - educational and behavioral evaluations, services and supports
 - professional development for teachers and other school staff for the delivery of scientifically based academic instruction and behavioral interventions

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Time and Effort Reporting

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- Who must complete?
 - ✦ ALL employees funded with federal dollars
 - ✦ Not contractors or vendors
- Time and effort reporting is required when any part of an individual’s salary is:
 - ✦ Charged to a federal program
 - ✦ Used as match for a federal program
- Ensures that salary costs in excess of work actually done are not claimed

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Property Management – Non-Capital Equipment

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- Considered by the US Government Accountability Office (GAO) as “high-risk”
- Higher chance that small electronic devices such as PDAs, laptops, netbooks, iPods, etc., will “walk away”
- Not always part of an inventory system because they do not meet the \$5,000 threshold.

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Supplement / Not Supplant

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- Definition: Replacing previously existing costs with federal dollars.
- For special education, there is no supplement / not supplant provision with IDEA funds *if* an LEA is meeting maintenance of effort requirements

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Equitable Services

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- If there are private schools in the LEA's jurisdiction, then the LEA must set-aside IDEA funds annually to spend on special education services for students with disabilities placed in private schools by their parents
- Based on location of private school, not student's residence (different than Title I's equitable services)

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IDEA Maintenance of Effort

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- LEAs – IDEA requires that LEAs must budget and expend the same amount of local funding for special education as it expended in the previous fiscal year. (34 CFR §300.203)
- Failure to comply results in a payback of local funds equal to the amount of effort not maintained
 - LEA fails to maintain effort by \$10,000
 - LEA must pay back, in local funds, \$10,000

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Accounting for IDEA Expenditures

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- Fund: 27
- Function: Special Education (such as 158 000)
- Project Code:
 - 341 – Flow-through
 - 347 – Preschool
- CFDA:
 - 84.027 – Flow-through
 - 84.173 – Preschool

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IDEA Claim Process – Web Based!

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- Formats data into the PI-1086 Program Fiscal Report
- Based on the last approved IDEA budget
- Claims are submitted separately for:
 - Flow-through Entitlement
 - Preschool Entitlement
 - CEIS (if applicable)

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High Cost Aid (State & Federal)

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- Student-specific special education service costs for an individual student in a single year must exceed \$30,000
 - The amount over \$30,000 is eligible for reimbursement on a pro-rated scale
- Reimbursement is after-the-fact and paid a full year after the costs were incurred
 - Timeline for reimbursement is established in Wisconsin statute

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High Cost Aid (State & Federal)

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- Direct special education instruction or related services
 - Services eligible for reimbursement *must* be documented in the student's IEP
 - Examples include: Autism Direction Educational Services, Educational Interpreters, Extended School Year (ESY), Job Coach, Paraprofessionals, Remodeling, Transition-Employment Skills, Transportation
- A list of reimbursable costs:
<http://sped.dpi.wi.gov/files/sped/pdf/highcost-allowables.pdf>
- A list of the base cost special education expenditures:
<http://sped.dpi.wi.gov/files/sped/pdf/highcost-base-cost.pdf>

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Special Education Categorical Aid

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- **Eligible Entities** - School Districts, CESAs, CCDEBs, and 2r Charter Schools
- Payments calculated on prior year expenses
- State appropriation to help defray the excess costs of providing special education and related services
- Administered by DPI's School Financial Services Team
- Certain costs are eligible / prorated due to volume of requests

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Eligible Expenditures

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- **Salary & Fringe Benefits for:**
 - most special education teachers & assistants;
 - speech/physical/occupational therapists;
 - psychologists, social workers, nurses, guidance counselors;
 - special education administrative staff; and
- **Special Education Transportation**

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Eligible Expenditures

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- **Salary & Fringe Benefits for:**
 - most special education teachers & assistants;
 - speech/physical/occupational therapists;
 - psychologists, social workers, nurses, guidance counselors;
 - special education administrative staff; and
- **Special Education Transportation**

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Eligible Expenditures

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- **Contracted Services**
 - Occupational and Physical Therapists
- New for fiscal year 2011-12 (Senate Bill 95):*
- Speech and Language Therapists
 - Audiologists
 - Interpreters
 - Orientation and Mobility Instructors
 - 18 to 21-year-old Pupil Transition Services
 - <http://sped.dpi.wi.gov/files/sped/pdf/act-105-funding.pdf>

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Expenditures NOT Eligible

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- **Most contracted services**
- **Supplies (except for special ed transportation)**
- **Equipment (except for special ed transportation)**
- **Materials**
- **Staff Travel**

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Coding Special Education Costs

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- Eligible costs are coded with a Project 011
- Costs not eligible are coded with a Project 019
 - However, an LEA may receive categorical aid on costs that are coded with a project 019 if they are purchasing the services from another LEA or CESA
- All of these coded costs are submitted to DPI on the PI 1505 Special Education report which determines the amount of aid an LEA will receive

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Thank you for joining me today!!

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