IDEA MOE

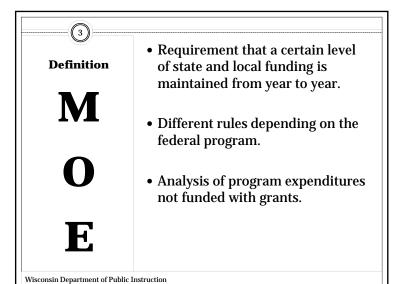


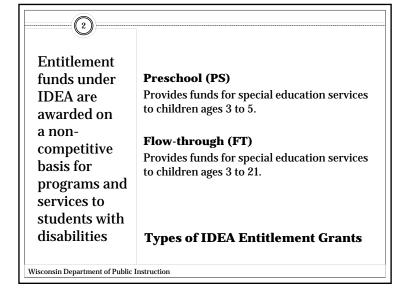
OVERVIEW:

MAINTENANCE OF EFFORT

IDEA / SPECIAL EDUCATION

Wisconsin Department of Public Instruction





IDEA MOE Regulations



IDEA requires that LEAs must budget and expend the same amount of local funding for special education and related services as it expended in the previous fiscal year. (34 CFR §300.203)

Special Education Accounting



To demonstrate compliance, an LEA must use the DPI-assigned accounting structure to identify special education expenditures and what type of funds were used to pay for the expenditures.

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Fund 27

All costs related to the provision of special education services are coded to this fund, regardless of how the costs are paid.

Project 011

Costs that are eligible for state categorical aid reimbursement (salaries, transportation) are tagged with this project code.

Project 019

Costs that are **not** eligible for state categorical aid reimbursement and also not grant funded are tagged with this project code.

Project 340

Costs that are reimbursed with federal IDEA entitlement dollars (flow-through and preschool) are tagged with this project code.

Only project 011 and 019 tagged expenditures are used for MOE compliance.

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6

Four Possible Ways to Pass MOE



An LEA needs to only meet ONE of the following comparison tests:

- At least the same total combination of local and state funds were expended as the last year the LEA expended the most local and state funds on special education activities.
 - ➤ Projects 011, 019, 091 and 092 less certain revenues
- 2) At least the same amount of local funds were expended as the last year the LEA expended the most local funds on special education activities.
 - ➤ Fund 10 to 27 transfer

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Four Possible Ways to Pass MOE



- 3) At least the same student per capita amount from local and state funds were expended as the last year the LEA expended the most local and state funds on special education activities.
 - ➤ Calculation from test 1 divided by fiscal year's October 1 Child Count (pulled from WISEdata snap shot)
- 4) At least the same student per capita amount from local funds were expended as the last year the LEA expended the most local funds on special education activities.
 - ➤ Fund 10 to 27 transfer (test 2) divided by fiscal year's October 1 Child Count (pulled from WISEdata snap shot)

OSEP Clarification – September 2013

Regulations state: "as it expended in the *previous fiscal year*"

Use the previous fiscal year as a comparison, *only* if in the previous year the LEA spent the same or more than it did in the second preceding year _____

Instead of saying 'previous fiscal year' we'll say 'last year met'

Wisconsin Department of Public Instruction

0

Exceptions for Lowering MOE



- $\circ\,$ Voluntary departure or departure for just cause of special education personnel.
- o Decrease in enrollment of students with disabilities.
- A student with exceptional special education costs moves out of the district, ages out, or no longer needs the program.
- The purchase of costly capital, such as a special education vehicle, is paid out
- The assumption of the student's program costs by Wisconsin's special education high cost aid for a student with a disability.
- o The 50% Rule (only if LEA receives an increase in flow-through funds).

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Utilizing MOE Exceptions



• Multiple exceptions may apply:

\$75,000 in exceptions:

- \times \$20,000 decrease in the number of students with disabilities
- x \$40,000 in staff retirement costs
- x \$15,000 tied to an individual student who graduates
- If exceptions are approved, LEA maintains the new reduced MOE expenditure level.

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- (12)

IDEA Regulation Comments on \$300.204

OSEP Letter to White

Specifically states that savings due to the negotiated reduction in staff benefits did not qualify as an exception.

COST SAVINGS: Not allowed as exceptions

Decrease in costs due to:

- Employee contributions to WRS
- Switching health insurance programs
- Changing the OPEB contribution
- Converting to HRA systems
- Position eliminations
- Withdrawal from shared programs
- Transportation contract savings

Local Maintenance of Effort



Eligibility Test

Compliance Test

- Local special education budget amounts compared to a prior year's actual expenditures (last year met)
- Local special education actual current year expenditures compared to a prior year's actual expenditures (last year met)
- Determines whether an LEA is "eligible" to receive the IDEA grant
- Determines whether an LEA is in final compliance with the MOE requirement

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Budget

PI 1504 Special Education Budget Report

(15)

Fiscal Data -

Submitted to DPI's School Financial Services Team

(Due in December for current fiscal year)

- LEAs submit all Fund 27 (special education) planned expenses including locally funded and grant funded expenses.
- Usually submitted by the LEA's Business Office.
- Data is used in LEA's MOE calculation to determine IDEA grant eligibility.

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How DPI uses existing data to monitor MOE Eligibility & Compliance



Fiscal Data-Expenditures

PI 1505 Special Education Annual Report

Submitted to DPI's School Financial Services Team

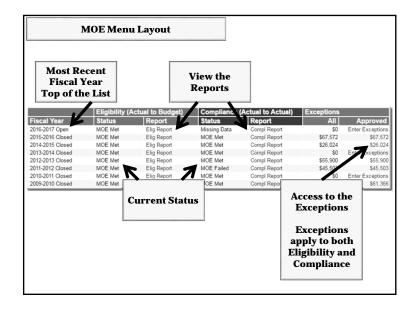
(Due in September for previous fiscal year)

- LEAs submit all Fund 27 (special education) expenses including locally funded and grant funded expenses.
- Usually submitted by the LEA's Business Office.
- Data is used to determine LEA's state special education categorical aid and IDEA MOE compliance.

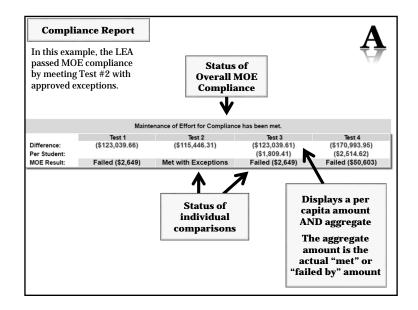
(17) **Child Count** October 1 Child Count Data WISEdata Snapshot • Used to determine a "per capita" expenditure amount for purposes of MOE. Data is pushed • Used to determine amount for regularly to WISEdata by the "decrease in students with LEA's Student disabilities" exception. Information System Wisconsin Department of Public Instruction

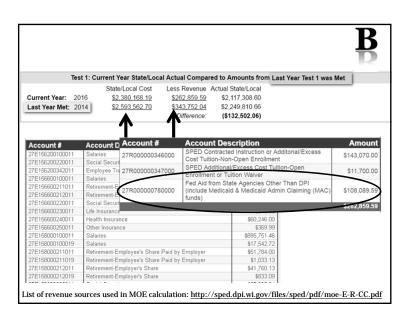
Testing for Eligibility and Compliance

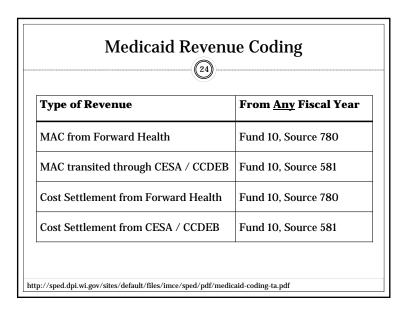
Web-based MOE Reports Accessed through the Special Education web portal. Pulls financial data from the 1504 and 1505 special education reports and WISEdata October 1 Child Count. Calculates the four MOE tests. Allows the LEA to submit exceptions to pass failed tests. Allows the LEA to run scenarios to determine future compliance.



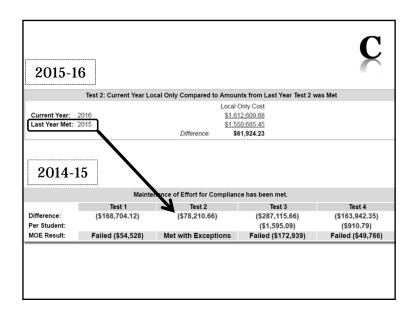
| | | | ance of Effort for C | ompliance ha | | |
|--|-----------|--------------------------|------------------------|-------------------|--|--|
| Difference: Per Student: | | Test 1 (\$123,039.66) | Test 2 (\$115,446.3 | | Test 3 (\$123,039.61) (\$1,809.41) | Test 4 (\$170,993.95) (\$2,514.62) |
| MOE Result: | | Failed (\$2,649) | Met with Excep | otions | Failed (\$2,649) | Failed (\$50,603) |
| Compliance • D | istrict H | ome Exceptions | Admin Refresh | | | |
| | | | Approved E | xceptions | | |
| Approved State Approved Students Total Approve | dent Lea | ving Exceptions | | | | \$86,133,00 \$34,257.99 \$120,390.99 |
| 1 | Test 1: C | urrent Year State/Lo | cal Actual Compar | red to Amount | ts from Last Year Tes | t 1 was Met |
| | | State/Local Cost | Less Revenue | Ac State/Li | tual | |
| Current Year: | | \$717,655.89 | \$37,384.98 | \$680,270 | | |
| Last Year Met: | 2015 | \$828,779.77 | \$25,469.20 | \$803,310 | | |
| | | | Difference: | (\$123,039 | .66) | |
| | Test | 2: Current Year Loca | I Only Compared t | to Amounts fr | om Last Year Test 2 | was Met |
| | | | | Local Only 0 | Cost | |
| Current Year: | | | | \$459,872 | | |
| Last Year Met: | 2015 | | | \$575,318 | | |
| | | | Difference: | (\$115,446 | .31) | |
| Test 3: C | urrent Y | ear State/Local Actu | al Per Capita Com | pared to Per | Capita from the Last | Year Test 3 was Met |
| | | | MOE Child Count | | tual | |
| | | State/Local | | State/Local Ca | Per pita | |
| Current Year: | 2016 | \$880.270.91 | 68 | \$10.003 | | |
| Last Year Met: | 2015 | \$803,310.57 | 88 | \$11,813 | 3.39 | |
| | | (\$11,813.39 * 68) | Difference: | (\$1,809 | .41) | |
| | | \$803,310.52 | Aggregate Diff: | (\$123,039 | .61) | |
| Test | 4: Curre | nt Year Local Only P | er Capita Compare | ed to Per Cap | ita from the Last Yea | r Test 4 was Met |
| | | Local Only Costs | MOE Child Count | | Per pita | |
| Current Year: | 2016 | \$459.872.65 | 68 | \$6.762 | | |
| Last Year Met: | 2014 | \$612,311.77 | 66 | \$9.277 | 1.45 | |
| | | (\$9,277.45 * 68) | Difference: | (\$2,514 | .62) | |
| | | \$630.866.60 | Aggregate Diff: | (\$170,993 | | |

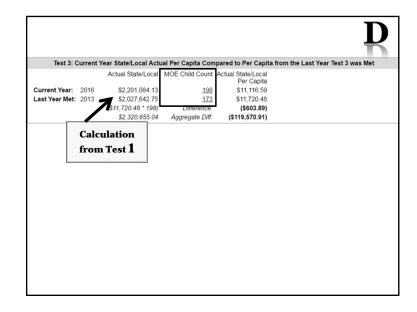


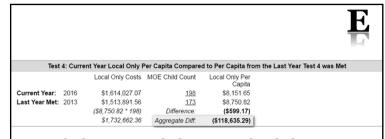




| Medicaid Revenue Coding | | | | |
|--|--|--|--|--|
| Type of Revenue | From Current or Immediate Prior Fiscal Year | | | |
| Interim Billing (Individual Student Billing) from Forward Health | Fund 27, Source 780 | | | |
| Interim Billing (Individual Student Billing) transited through CESA / CCDEB | Fund 27, Source 581 | | | |
| Type of Revenue | Anything Older | | | |
| Interim Billing from Forward Health | Fund 10, Source 780 | | | |
| Interim Billing through CESA / CCDEB | Fund 10, Source 581 | | | |

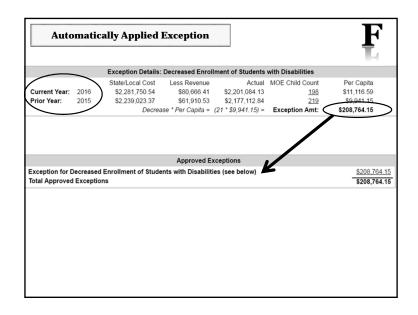






For both per capita calculation examples, the last year met was 2013. Between 2013 and 2016 there was an increase in students with disabilities.

However, between 2015 and 2016 there was a decrease in students with disabilities. LEAs should get credit for a decrease in students with disabilities between two fiscal year, so...



Transition Year – Student Count



- Old open enrollment law:
 - Resident LEA responsible for actual, additional costs of special education and related services.
 - O Resident LEA counted student for MOE.
 - o No net impact on MOE if nonresident LEA if it billed correctly.
- Current open enrollment law:
 - o Nonresident LEA responsible for costs.
 - Nonresident LEA counts students for MOE.
 - MOE impact no different for nonresident LEA than if student had physically moved into the district.

Wisconsin Department of Public Instruction

Examples



- Following examples will show impact of OE changes.
- Student(s) with disabilities enrolling from resident District A to nonresident District B.
- Oversimplified examples assume no changes in either district other than Open Enrollment and other items listed in the example.

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Example 1



- Resident district A has 25 students with disabilities.
- Nonresident district B has 75 students with disabilities.
- District A paid \$50,000 for aide and transportation costs to District B for open enrolled student.

Example 1: 2015-16

(33

Resident District A

Nonresident District B

• 25 SwDs

• 011/019: \$250,000

• F10 xfer: \$200,000

| 2015-1 | 2015-16 MOE Base | | | |
|--------|------------------|--|--|--|
| Test 1 | \$250,000 | | | |
| Test 2 | \$200,000 | | | |
| Test 3 | \$10,000/SwD | | | |
| Test 4 | \$8,000/SwD | | | |

• 75 SwDs

• 011/019: \$500,000

• F10 xfer: \$350,000

| 2015-16 MOE Base | | |
|------------------|-------------|--|
| Test 1 | \$500,000 | |
| Test 2 | \$350,000 | |
| Test 3 | \$6,667/SwD | |
| Test 4 | \$4,667/SwD | |

Law change transfers cost in 2016-17...

Example 1: 2016-17



Resident District A

Nonresident District B

• 24 SwDs

• 011/019: \$200,000

• F10 xfer: \$150,000

| | 2016-17 MOE Results | | | | |
|------|---------------------|---------|---------|------|--|
| Test | Base | Current | Change | MOE | |
| 1 | 250,000 | 200,000 | -50,000 | Excp | |
| 2 | 200,000 | 150,000 | -50,000 | Excp | |
| 3 | 10,000 | 8,333 | -1,667 | Excp | |
| 4 | 8,000 | 6,250 | -1,750 | Excp | |

Pass all 4 with \$50,000 exception for departure of student $w/\ costly\ program$

• 76 SwDs

• 011/019: \$550,000

• F10 xfer: \$400,000

| 2016-17 MOE Results | | | | |
|---------------------|---------|---------|---------|-----|
| Test | Base | Current | Change | MOE |
| 1 | 500,000 | 550,000 | +50,000 | Met |
| 2 | 350,000 | 400,000 | +50,000 | Met |
| 3 | 6,667 | 7,237 | +570 | Met |
| 4 | 4,667 | 5,263 | +596 | Met |

Example 2



- Resident district A has 25 students with disabilities.
- Nonresident district B has 75 students with disabilities.
- District A paid \$5,000 for orientation and mobility services to District B for open enrolled student.
 - o This amount is less than the flat rate tuition, so would not be eligible for the "exceptionally costly special education" exception.

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Example 2: 2015-16



Resident District A

• 25 SwDs

Test 4

• 011/019: \$200,000

• F10 xfer: \$150,000

| 2015-16 MOE Base | | |
|------------------|-------------|--|
| Test 1 | \$200,000 | |
| Test 2 | \$150,000 | |
| Test 3 | \$8,000/SwD | |

• 75 SwDs

• 011/019: \$500,000

Nonresident District B

• F10 xfer: \$350,000

| 2015-16 MOE Base | | |
|------------------|-------------|--|
| Test 1 | \$500,000 | |
| Test 2 | \$350,000 | |
| Test 3 | \$6,667/SwD | |
| Test 4 | \$4.667/SwD | |

Law change transfers cost in 2016-17...

\$6,000/SwD

Example 2: 2016-17

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Resident District A

Nonresident District B

• 24 SwDs

• 011/019: \$195,000

• F10 xfer: \$145,000

| 2016-17 MOE Results | | | | |
|---------------------|---------|---------|--------|------|
| Test | Base | Current | Change | MOE |
| 1 | 200,000 | 195,000 | -5,000 | Excp |
| 2 | 150,000 | 145,000 | -5,000 | Excp |
| 3 | 8,000 | 8,125 | +125 | Met |
| 4 | 6,000 | 6,042 | +42 | Met |

Pass all 4 w/ \$8,000 exception for decreased enrollment

• 76 SwDs

• 011/019: \$505,000

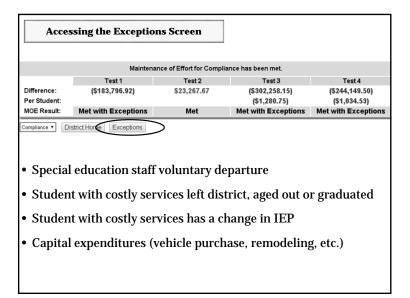
• F10 xfer: \$355,000

| 2016-17 MOE Results | | | | |
|---------------------|---------|---------|--------|------|
| Test | Base | Current | Change | MOE |
| 1 | 500,000 | 505,000 | +5,000 | Met |
| 2 | 350,000 | 355,000 | +5,000 | Met |
| 3 | 6,667 | 6,645 | -22 | Fail |
| 4 | 4,667 | 4,671 | +4 | Met |

Takeaways



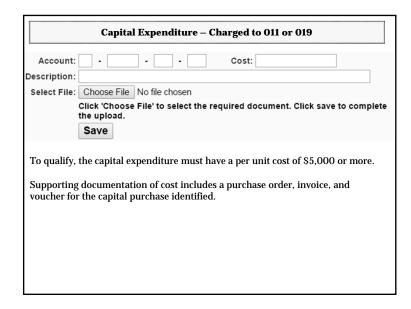
- DPI will grant administrative exceptions for districts that had been billing Open Enrollment consistently with statutes and fail <u>only</u> due to the change in law.
- DPI <u>will not</u> grant exceptions due to the change in law for districts that had not been billing Open Enrollment consistently with statutes.

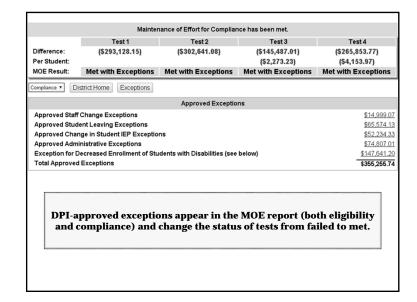


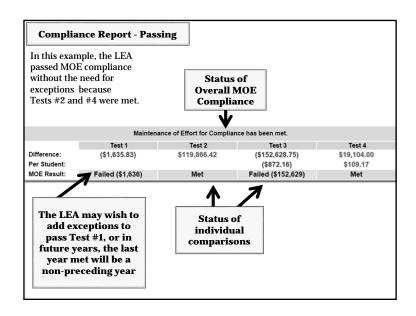
| Salary Account: Fringe Account: | | | Salary Amount: | |
|--|----------------|----------------|---|---------------------|
| | | | outury / timounti | |
| | | | Fringe Amount: | |
| leason For Leaving*: | | • | | |
| Note: Layoff of Special Educ Vhen identifying fringe cost | | | | Save |
| | | | | |
| | | | | |
| Did a special ed s | taff person re | etire at the e | nd of 2016? | |
| Dia a special ca s | turi person re | our out the c | | |
| Did a special ed s | taff person ta | ake a job at a | nother LEA duri | ng or after 2015-16 |
| Didi-l - d | - | | | |
| Did a special ed s | tan person ta | ike a job in g | enerai ea auring | or after 2015-16? |
| Did a special ad s | taff person re | etire during | 2017 (mid-year)? | |
| Diu a speciai eu s | | U | | |
| • | - | | | |
| • | taff person ta | ike a volunta | ry paid leave of a | absence in 2015-16 |
| Did a special ed s | | | ry paid leave of a ute? (Net Differe | |

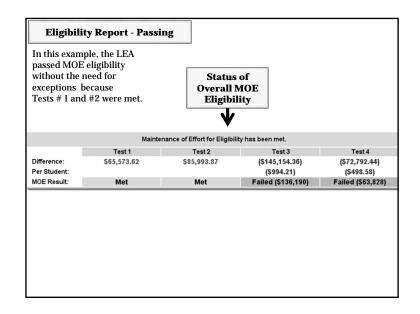
Departure of Student (Left LEA, Graduated, or Aged Out) -Costs previously charged to 011 or 019 First Name: * Last Name: ○ Left District ○ Graduated Birth Date Reason For Leaving: Aged Out Account Amount: Description Aggregate cost of the student specific services must be greater than the flat rate general open enrollment tuition (\$6,748 in 2015-16) Review the students with disabilities who graduated, aged out, or left the district in the last two years. Did the student have any of the following costs (charged locally): One-on-one Para or Attendant Care Aide (even if just part of the day) Specialized Transportation Private or public placement (by the IEP team) tuition **Educational interpreter** Hearing Impaired or Visually Impaired Teacher

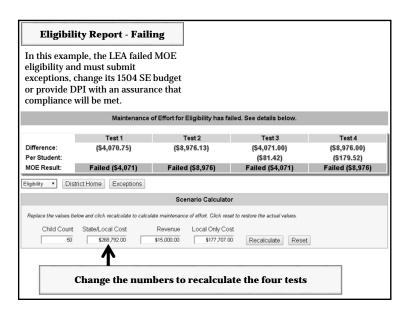
| Cl | nange of Services in Studer | nt IEP – Charged t | o 011 or 019 |
|--------------|---|---------------------|--------------|
| First Name: | 0 | Last Name: | G |
| Birth Date: | 0 | | |
| Account: | 0 | Amount: | G |
| Description: | | | O |
| Aggregate o | ng fringe costs, roll up the 200 000 series wh cost of the student specific ser than the flat rate general open | vices that were cha | • |
| | students with disabilities who Since that year, have any of the | | |
| o Transit | n Placement: cions out of an off-site early ch or public tuition – such as ar | | |
| o Transp | specific Services: ortation: student was on an in t received cochlear implant an | | U |

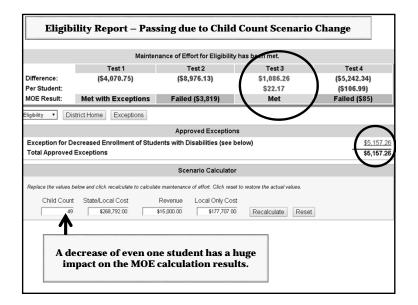












Despite Exceptions, Failing MOE



Failing Eligibility Test

Failing Compliance Test

- LEA may not receive an IDEA allocation for fiscal year tested.
- May continue to access any carryover funds from previous year.
- LEA must repay an amount equal to the short-fall.
- Must use LOCAL funds for repayment.
- Possible single audit finding.

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Failing MOE Compliance



- Expenditure levels are not "reset" the last year met will be the last year the LEA passed one of the comparisons.
- Changes to the immediate prior fiscal year ends September 30. Always. Shifting funds previously claimed under the grant to local funds must be done prior to September 30.

Wisconsin Department of Public Instruction

Understand Where Expenses Are Coded



- Has there been analysis done of how expenses are being coded, or is it a practice of "always done that."
- Are IDEA funds being carried over from year to year, or used on non-essential items, while the local special education costs are inflating?
- When unplanned expenditures arise, how is where the costs charged examined?

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Understand Why Effort Was Reduced



- Plan ahead understand the "why" if local costs are going to decrease.
- If the "why" doesn't include allowable exceptions, develop long-term plans.
- Move special education costs off IDEA grant to local to boost level back up to required amount.
- o Use the freed-up IDEA funds on collaborative initiatives!
 - ⋆ Coordinated Early Intervening Services
 - x Title I Schoolwide Set-Aside
 - * Professional Development or Tuition Reimbursement

Technical Assistance



IDEA MOE Technical Assistance Page http://dpi.wi.gov/sped/educators/fiscal/maintenance-of-effort

To review your Maintenance of Effort eligibility status with Rachel Zellmer, please contact Marge Schenk at marjorie.schenk@dpi.wi.gov. She will schedule a conference call time.