

# Introduction to IDEA Funding

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**FUNDING AVAILABLE UNDER THE  
INDIVIDUALS WITH DISABILITIES EDUCATION ACT**

# Excess Cost of Special Education

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- **Direct costs that are incurred when providing special education instruction and related services**
- **Costs are generated by the unique needs of the students with disabilities**
- **If the school or district had no students with disabilities enrolled, the cost would not exist**

# Guiding “Excess Cost” Questions

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

*If the answer is...*

- No, then the cost may be eligible
  - ✦ Learning Disabilities Teacher
- Yes, then the cost is not allowed
  - ✦ Homeroom Teacher

# Guiding “Excess Cost” Questions

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2) Is this cost also generated by students without disabilities?

*If the answer is...*

- Yes, then the cost is not allowed
  - ✦ Core reading curriculum
- No, then the cost may be eligible
  - ✦ Supplemental reading toolkit to core curriculum

# Guiding “Excess Cost” Questions

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3) 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
  - ✦ Specialized transportation identified as a need
- No, then the cost is not allowed
  - ✦ Transportation costs not identified as a need

# Accounting Excess Cost

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- Fund 27 – A segregated area used to hold all costs and revenue generated only by special education
- Project Codes – Tags given to *each* expenditure in Fund 27 to identify how it will be funded
  - **019** – Costs that will be paid for using local funds only
  - **011** – Costs that will initially be paid for using local funds, but will then be partially reimbursed with state aid or Medicaid
  - **340** – Costs that will be paid for by the IDEA grants

## Local

- Tax base
- Covers the majority of expenditures

## State

- Categorical Aids
- High Cost fund

## Federal

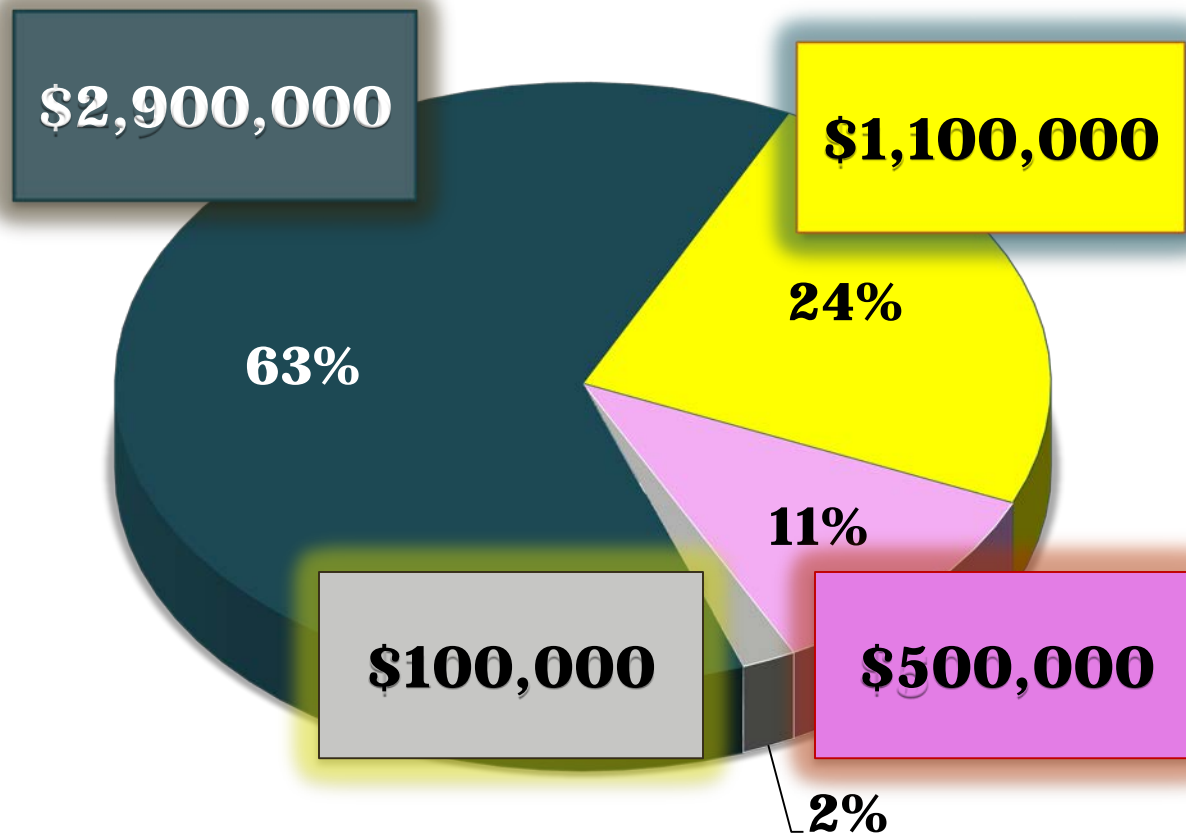
- IDEA Entitlement
- High Cost fund
- Medicaid

**Funding source  
break down for  
an LEA with a  
student  
population  
of 3,000**

**For this LEA,  
special  
education costs  
for a fiscal year  
totaled  
\$4,600,000**

## Special Education Funds

■ Local ■ State ■ IDEA ■ Medicaid





# IDEA – The Funding Source

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- US Department of Education grants IDEA Part B funds to State of Wisconsin – DPI
- DPI subgrants to approximately 440 agencies
  - Flow-through Entitlement (FT)
  - Preschool Entitlement (PS)
  - High Cost Aid
  - Discretionary

**SEA's Award**  
34 CFR §300.700 & §300.800

**State Level Activities**  
§300.704 (b) / §300.804

**State Administration**  
§300.700 (a) / §300.800

**LEA Entitlement**  
§300.705 / §300.815

**High Cost Aid**  
§300.704 (c)

**Statewide Initiatives**

**RTI Center**

**Mediation**

**Regional Service Network**

**WSPEI**

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**

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:

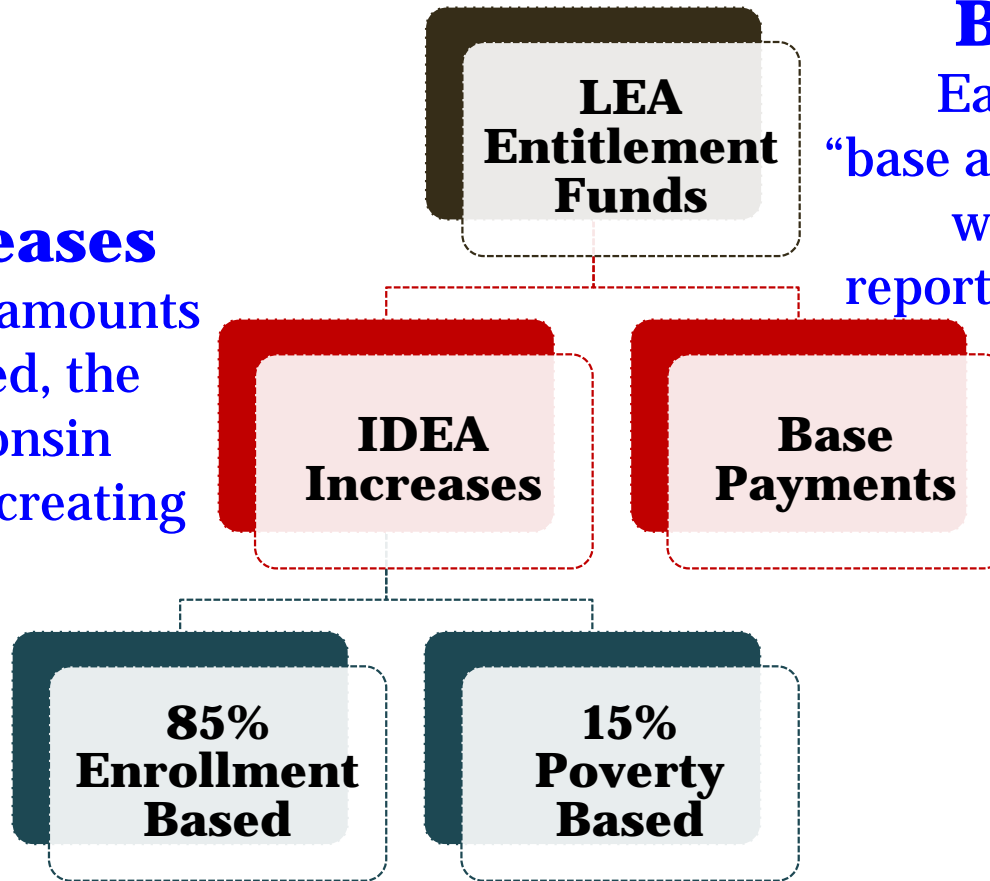
- School districts
- Independent charter schools (2r)
- Department of Corrections
- Department of Health Services

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

## **Eligibility for IDEA Entitlement**

## IDEA Increases

Since the base amounts were established, the award to Wisconsin has increased, creating “new funds”



## Base Payments

Each LEA generates a “base amount” established with child count data reported in the late 1990s

## 85% Enrollment & 15% Poverty Count

IDEA funds not obligated for base payments are distributed based on an LEA’s total student enrollment and student poverty count numbers

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

Base Pay Amount	Total Student Enrollment	US Census 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	
\$150,000	\$310,000	\$50,000	\$510,000

# IDEA Grant's Availability

**Each Award –  
Available for 27 Months**

**Forward Funding:  
3 months  
(July 1 – Sept. 30)**

**Award Period:  
12 months  
(Oct. 1 – Sept. 30)**

**Tydings Period:  
12 months  
(Oct. 1 – Sept. 30)**

# IDEA's Carryover Rules

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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

**TA:** <http://dpi.wi.gov/sites/default/files/imce/sped/pdf/idea-carryover.pdf>



# “Obligation Period”

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- **Obligation:** A transaction that requires payment.
- **“Obligation Period”:** The same as the 27 months of grant availability.
- **Obligations, however, are booked in the fiscal year in which they occurred.**

# “Obligation Period”

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- **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
  
- **Obligation within a Fiscal Year:**
  - ✦ CORRECT - Transaction on August 25, 2016; booked in fiscal year 2016-17; claimed on fiscal year 2016-17 IDEA claim
  - ✦ NOT CORRECT – same transaction, but claimed on the fiscal year 2015-16 September 30<sup>th</sup> final IDEA claim

# An LEA's Obligation Period

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**Begins July 1**

*if...*

***LEA submits IDEA application in  
substantially approvable form  
by July 1***

# Application in Substantially Approvable Form

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- **IDEA Grant Assurances**
  - Submitted by July 1
  - Electronically signed by a District Authorizer in WISEgrants
- **IDEA Budgets – Flow-through & Preschool**
  - Submitted by July 1
  - Submitted through WISEgrants

**Standard is “Submitted” – not “Approved”**

# An LEA's Obligation Period

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## AVAILABILITY OF FUNDS

July 1, 2015 – September 30, 2017

## OBLIGATION PERIOD

August 1, 2015 – September 30, 2017

**Cost A**  
*July 15*

NOT  
ALLOWED

**Cost B**  
*August 15*

ALLOWED

# 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)
- Construction
- Non-Capital and Capital Equipment
- Software
- Specialized Curriculum

# 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.**





# “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:
  - Nursing, Occupational and Physical Therapy
  - Audiology Services and Educational Interpreters
  - Speech / Language
  - Orientation and Mobility Instruction
  - Transition Services for 18 to 21-year-olds.
  - Paraprofessionals and Substitute Teachers



# Allowable Costs Document

Allowed	Not Allowed	Budget Item	Special Requirements or Additional Information
		<b>ATTORNEY'S FEES-PARTY TO AN ACTION:</b> 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.	<p>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.</p> <p>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.</p>
		<b>ATTORNEY'S FEES – DOCUMENT PROCESSING</b>	
		<b>ATTORNEY'S FEES - PROFESSIONAL DEVELOPMENT / POLICY DEVELOPMENT:</b> Contracted staff training, in-service, or policy development and review.	
		<b>AUDIT COSTS:</b> Audits required by the Single Audit Act.	<p>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.</p> <p>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.</p>

# Not So Common “Allowed” Costs

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- **Paying parents for the costs of specialized transportation**
- **Early Childhood placements at private daycares (for the portion of time the student receives special education services)**

# Common “Unallowed” Costs

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- Flat-rate open enrollment tuition amount
  - Including the new \$12,000 open enrollment rate
- Medicaid Billing Costs (like MJ Care)
- Inappropriately licensed staff
- Prorating equipment
- Remodeling for ADA purposes only

# Common “Unallowed” Costs

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- LEAs may **NOT** contract with a private vendor for services provided directly to the student in:
  - Psychological Services
  - Autism Services
- LEAs may **NOT** contract with a private vendor for the following positions:
  - Teachers
  - Guidance Counselors
  - Social Workers

# Not So Common “Unallowed” Costs

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- **Costs for expulsion hearings**
- **Costs of legal fees for due process**
- **Costs for providing related services under a 504 plan (student does not have an IEP)**

# IDEA Time and Effort Reporting

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- Follow the “Standards for Documentation of Personnel Expenses” (2 CFR §200.430(i))
  - ✦ Identify which staff would be considered a ‘Single Cost Objective’ versus ‘Multiple Cost Objective’
  - ✦ For those staff that work on multiple work objectives, be certain that appropriate documentation is being kept to support the amount of wages charged to the IDEA grant

# CLERICAL STAFF (§200.413(c))

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Clerical staff should normally be charged as an indirect cost, however, can be charged as a direct cost if:

- (1) administrative or clerical services are integral to a project or activity;
- (2) individuals involved can be specifically identified with the project or activity;
- (3) such costs are explicitly included in the budget;  
and
- (4) the costs are not also recovered as indirect costs

# Personnel Monitoring Focus

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- **Typical multiple cost objective full-time positions:**
  - Secretaries / Assistants
  - Fiscal staff
  - Related Services staff (social workers, guidance counselors)
  - IT Staff
- **When there is no “schedule,” how will a person’s effort be determined and supported?**
- **There must be records that accurately reflect the work performed. The records must be supported by an established system of internal control.**



# Monitoring Focus

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- **Typical Multiple Cost Objective Positions**
  - Subrecipient must have a process that provides reasonable assurance that the charges are accurate, allowable, and properly allocated
  - Be incorporated into the official records of the subrecipient
- **Nothing less will be acceptable – if the subrecipient wishes to charge this type of position to the grant, the supporting documentation *must* meet these standards**

# SHORT-TERM EMPLOYEES

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- **Individuals who complete time sheets or other documentation for compensation**
    - ✦ Substitute Teachers and Paraprofessionals
    - ✦ Tutors and Mentors
    - ✦ Extended School Year Services and IEP Activities
  - **Their documentation for compensation will suffice for time and effort documentation**
    - Be sure you can demonstrate how the amount charged to the grant aligns with the compensation documentation!
- TA: <http://dpi.wi.gov/sites/default/files/imce/wisegrants/pdf/time-and-effort-requirements.pdf>

# Property Management

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- Know what was purchased with IDEA funds
  - And the items align with an approved grant budget
- Know where it is located
- Know how it is being used

# Property Disposal

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Equipment purchased with IDEA funds must be used by the program as long as the program need exists. To “dispose” of equipment, the LEA must determine that the special education program no longer needs the item. Using a vehicle as an example, factors such as age and size of the vehicle are taken into consideration. But the LEA may not re-purpose a vehicle for general education use and purchase a new vehicle with IDEA funds simply because the funds are available to do so.

# Property Disposal

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- **Items with a per unit value of less than \$5,000**
  - Is the item no longer needed by the program? Document the reason why it is no longer needed
  - Options –
    - ✦ Give to another school district (equipment follows student)
    - ✦ Give to another federal program (Title I)
    - ✦ Give to general education
    - ✦ Sell (book any revenue in Fund 27)
  - Always document how the item was disposed

# Property Disposal

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- **Items with a per unit value greater than \$5,000**
  - Is the item no longer needed by the program? Document the reason why it is no longer needed
  - Regardless of how the equipment is disposed , the fair market value of the equipment must either –
    - ✦ Be booked as revenue in Fund 27 (reinvested in Special Education), offsetting expenditures; or
    - ✦ Returned to DPI (which will be sent to US Department of Education)
  - It does not matter when the equipment was purchased, only the value (a vehicle purchased in 2010 may still be worth more than \$5,000)

# Supplement / Not Supplant

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- **Definition:** Replacing previously locally funded 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
  - This means that an LEA has the flexibility to switch funding for a position, example:
    - 2014-15 – Lisa Johnson, LD Teacher, paid locally (state aid eligible)
    - 2015-16 – Lisa Johnson, LD Teacher, paid with IDEA flow-through

# 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)



# 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

# Accounting for IDEA Expenditures

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- **Fund: 27**
- **Project Code:**
  - 341 – Flow-through
  - 347 – Preschool
- **Revenue Source:**
  - 730 - Federal Special Projects Aid Transited Through DPI
- **CFDA:**
  - 84.027 – Flow-through
  - 84.173 – Preschool

# IDEA Claim Process

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- **Formats data into the PI-1086 Program Fiscal Report**
- **Based on the last approved IDEA budget**
- **Claims submitted separately for:**
  - **Flow-through Entitlement**
  - **Preschool Entitlement**
  - **CEIS (for general education interventions)**
  - **Title I Schoolwide Set-Aside (new in 2016-17)**

# Technical Assistance

- Allowable Costs:

<http://dpi.wi.gov/sped/educators/fiscal/allowable>

- Allocations and Carryover:

<http://dpi.wi.gov/sped/educators/fiscal/allocations>

- Consultant Assignment List:

<http://dpi.wi.gov/sped/educators/local-performance-plans/contact>