

Fiscal Responsibility for Special Education Under IDEA



Every Child. Every Chance. Every Day.



Important Fiscal Acronyms

- ❑ **CEIS** Coordinated Early Intervening Services
- ❑ **EDGAR**-Education Department General Administrative Regulations
- ❑ **GEPA**-General Education Provisions Act
- ❑ **IDEA**-*Individuals with Disabilities Education Act*
- ❑ **LEA**-Local Education Agency
- ❑ **LRE**-Least Restrictive Environment
- ❑ **MFS**-Maintenance of State Financial Support
- ❑ **MOE**-Maintenance of Effort
- ❑ **OMB**-Office of Management and Budget
- ❑ **OSEP**-Office of Special Education Programs
- ❑ **PAR**-Personnel Activity Report
- ❑ **SEA**-State Education Agency
- ❑ **UGG**-Uniform Grant Guidance



Presentation Objectives:

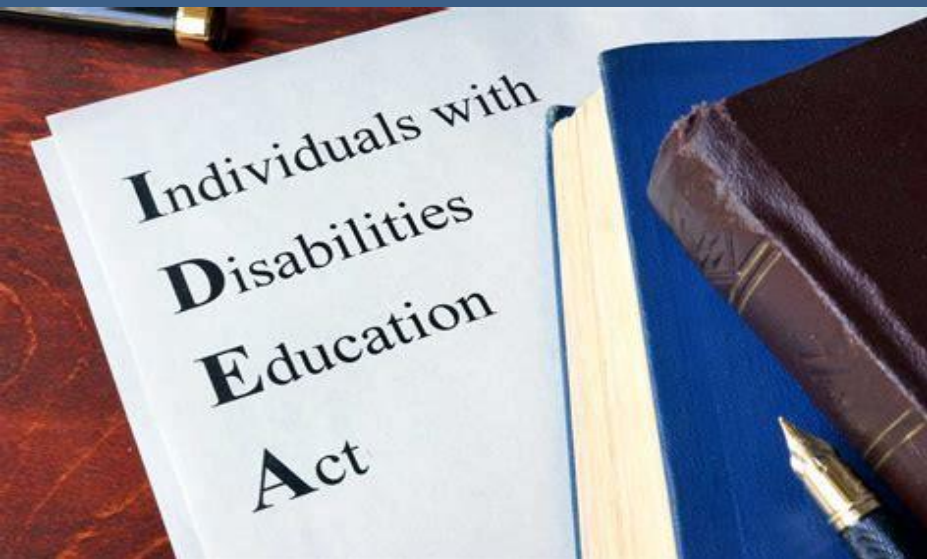
- ❑ Explain special education services funding under IDEA provided for children with disabilities (ages 3-21)
- ❑ Provide an overview of fiscal laws and guidelines for receiving federal special education funding at the state education agency (SEA) and local education agency (LEA)
- ❑ Provide an overview of eGAP 2.0



IDEA

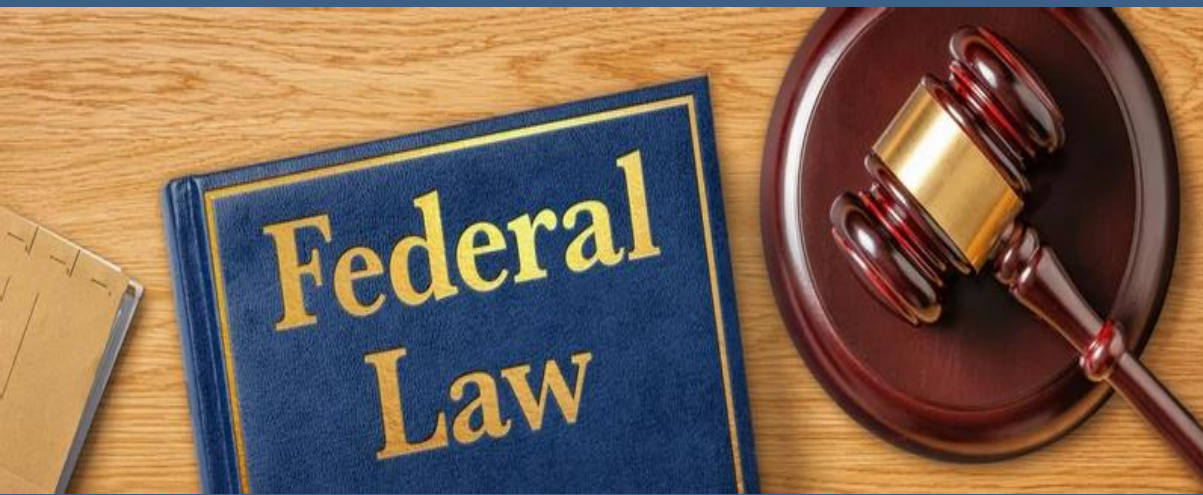
The *Individuals with Disabilities Education Act* (IDEA) is a United States federal law that governs how states and public agencies provide early intervention, special education, and related services to children.

34 CFR 300



Federal Regulation

- ❑ Establishes central responsibilities of states, local education agencies, and schools
- ❑ Creates a grant program that funds special education and related services in public schools for children ages 3-21



Special Education must adhere to the following:



Regulations and Requirements

- Individuals with Disabilities Education Act (IDEA)*
- Elementary & Secondary Education Act (ESEA)*
- Every Student Succeeds Act (ESSA)*
- Education Department General Administrative Regulations (EDGAR)**
- Alabama Administrative Code (AAC)*
- Alabama State Purchasing Laws
- LEA Written Policies and Procedures



13 Disability Categories Under IDEA



- Autism (AUT)
- Deaf-Blindness (DB)
- Developmental Delay (DD)
- Emotional Disability (ED)
- Hearing Impairment (HI)
- Intellectual Disability (ID)
- Multiple Disabilities (MD)
- Orthopedic Impairment (OI)
- Other Health Impairment (OHI)
- Specific Learning Disability (SLD)
- Speech or Language Impairment (SLI)
- Traumatic Brain Injury (TBI)
- Visual Impairment (VI)

Special Note: 504 nor Gifted is an IDEA disability category.



Parts of IDEA

- ❑ **Part A** - serves as the foundation for the law and does not have a grant associated with it.
- ✓ **Part B** - provides educational guidelines for children with disabilities ages 3-21.
- ❑ **Part C** - provides guidelines concerning the services to children from birth through 2 years of age (i.e., up to 36 months or their 3rd birthday) as well as their families.
- ✓ **Part D** - provides for formula grants that are intended for national activities and provides funding to improve the education of children with disabilities. These activities include grants to improve the education and transitional services provided to students with disabilities, in addition to resources to support programs, projects and activities which contribute positive results for children with disabilities. Example: State Personnel Development Grant (SPDG)-CFDA: 84.323



IDEA Sources of Funding for Special Education

US DOE-OSEP grants IDEA Part B funds to the Alabama State Department of Education (ALSDE)

ALSDE subgrants to LEAs:

- IDEA Part B, Allocations
- IDEA Preschool Allocations
- AL High-Cost Fund (ALHCF) Set-Aside



Grants Under IDEA

IDEA Formula Grant

Part B, IDEA - OSEP, provides formula grants to states to assist in providing FAPE in the least restrictive environment for children with disabilities ages 3-21.

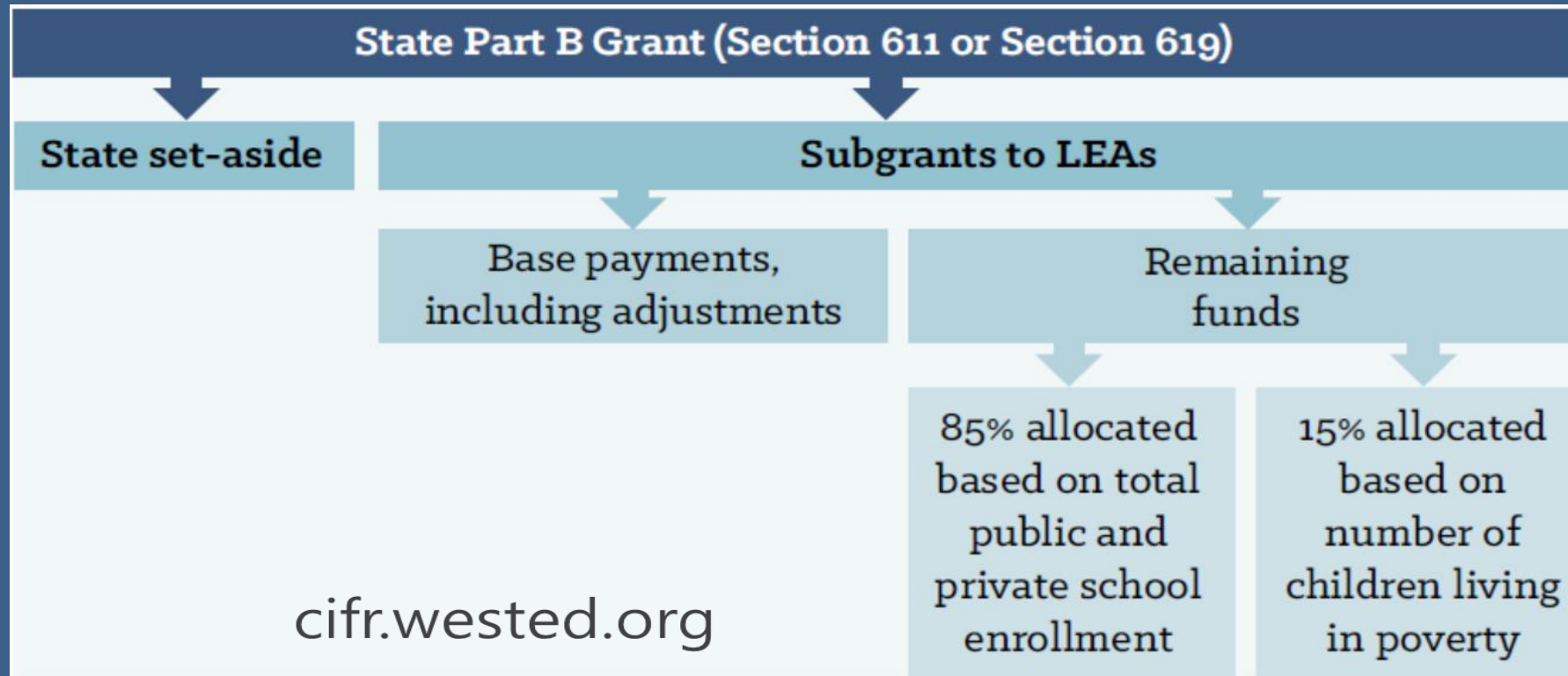
Regular: **Section 611**, AL Fund Source **3210** (ages 3-21)

Preschool: **Section 619**, AL Fund Source **3220** (ages 3-5)



Framework of the IDEA LEA Allocation

How allocations (subgrants) are distributed to LEAs:





Formula Used For IDEA Funds Allocations

LEA Base Payment Calculation (Child Count):

IDEA Part B (Section 611) Grants base uses - FY1999 data

IDEA Preschool (Section 619) Grants base uses - FY1997 data

Calculation Remaining of the Amount **After** Base Payment:

85% Based on Population [i.e., Average Daily Membership (ADM)]

Numbers are based on children enrolled in public and private schools within the LEA's jurisdiction

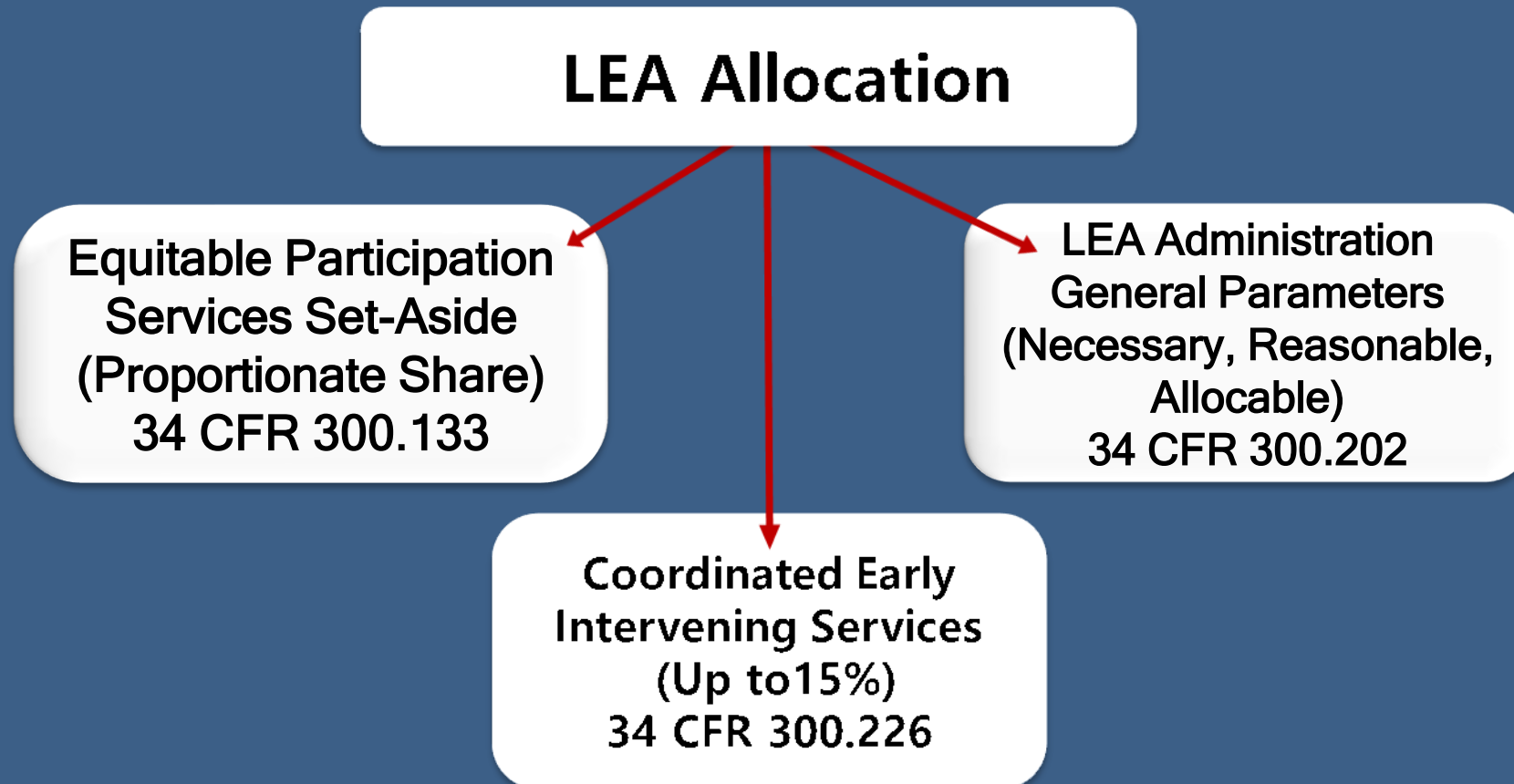
15% Based on Poverty (Eligibility Direct Certification Count)

Numbers are based on children living in poverty as determined by SEA



Use of IDEA Part B Funds

LEA Level IDEA Part B Allocation Set-Asides:



Federal Regulation EDGAR

US-Education Department General Administrative Regulations



<http://www2.ed.gov/policy/fund/reg/edgarReg/edgar.html>



EDGAR Regulations Include:



- Audit Rules Governing All Federal Grants
- Office of Management and Budget (OMB)
- Uniform Grant Guidance (UGG)
- Revised Administrative Requirements
- Cost Principles

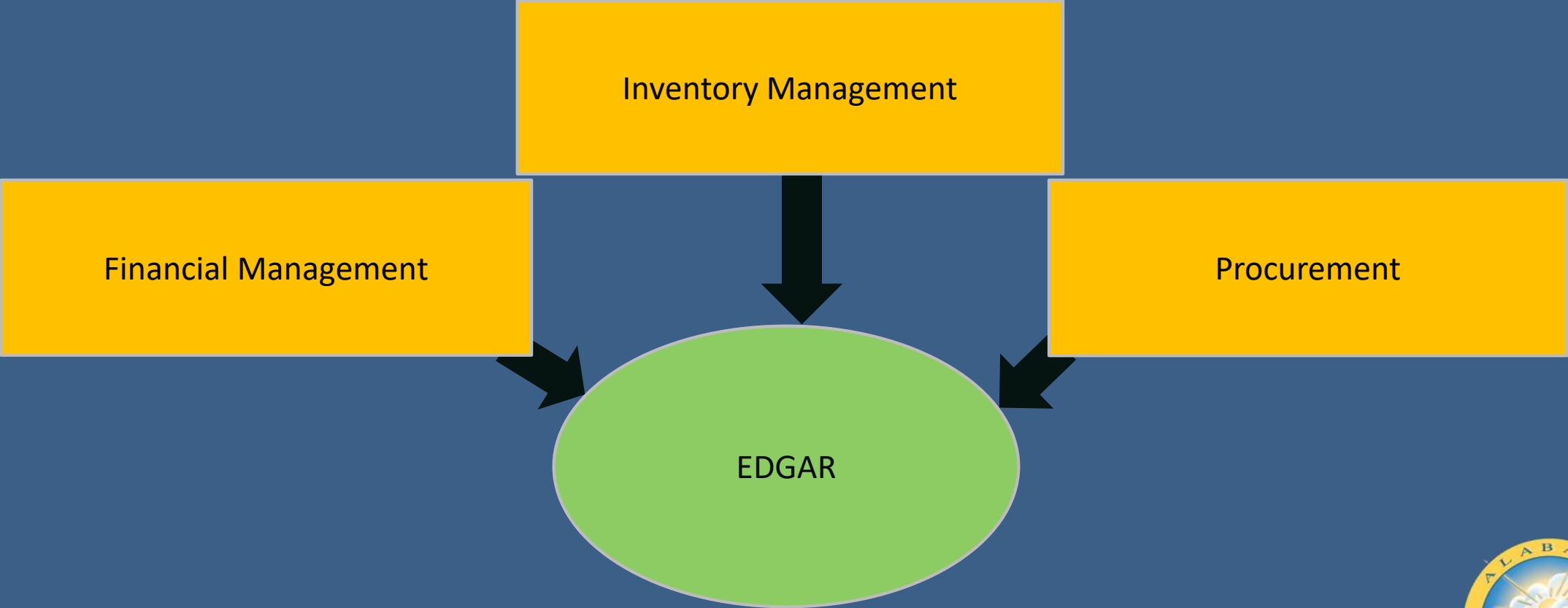


What is the purpose of EDGAR?

- ❑ Provides administrative requirements and oversight for ALL federal grant funds, to reduce the risk of waste, fraud and abuse
- ❑ When monitoring the state and LEAs for compliance, auditors use EDGAR as a guide to ensure written policies and procedures provide effective internal controls
- ❑ Grantees must have internal controls with written procedures for determining the allowability of costs charged to federal grants (200.302(b)(7))
- ❑ Failure to comply with EDGAR could lead to potentially **repaying** disallowed costs to the United States Department of Education (USDOE) **with non-federal funds**



EDGAR Grants Management Systems



EDGAR

Required Policies and Procedures

- ❑ Written Allowability Procedures
- ❑ Written Cash Management Procedures
- ❑ Written Conflict of Interest Policy
- ❑ Written Procurement Procedures
- ❑ Written Procedures for Managing Equipment
- ❑ Written Time and Effort Policies and Procedures
- ❑ Written Method for Conducting Technical Evaluations of Proposals and Selecting Recipients





IDEA & EDGAR Regulations
must be used together!!



Use of IDEA grant funds must comply with EDGAR!

For example:

EDGAR permits attorney's fees to be expensed under certain circumstances (2 CFR 200.435).

However, IDEA states that Part B funds may not be used to pay attorney's fees or costs of a party related to action or proceeding under section 615 of the Act and subpart E [Procedural Safeguards] of the regulations (34 CFR 300.517(b)). Therefore, IDEA funds may not be used to pay attorney's fees.



IDEA Fiscal Requirements



- Excess Cost
- Allowable Cost
- Proportionate Share for Equitable Services of Parentally Placed Private School Students with Disabilities
- Comprehensive Coordinated Early Intervening Services (CCEIS)
- Maintenance of Effort (MOE)
- Supplement not Supplant
- Time and Effort



IDEA Requirement

Excess Cost

“Excess cost” are those costs incurred in excess of the average annual per-student expenditure in an LEA, during the preceding school year for an elementary or secondary school student.



IDEA Requirement

Allowable Costs

For a cost to be allowable, it must be:

- Necessary-Is the expense *necessary* for the performance of the administration of the IDEA grant?
- Reasonable- Is it a fair rate that can be proven and defended?
- Allocable- Is the cost in proportion to the value received and can only be for the benefit of special education?



Allowable Costs: Documentation

Includes the following:

- clear and adequately documented expenditures
- the amount and exactly how the funds are used
- the total cost of the project
- records showing performance and compliance to assist with facilitating an effective audit

Statute of Limitations: Retain Documents for 5 years

*****Special note: Alabama's fiscal is 5 yrs plus 1 yr = 6 years Due to Alabama's different fiscal and academic years.***



IDEA Requirement

Parentally Placed Private School Students with Disabilities

Component 1: Programs

Equitable Services



Program Provided
Special Education
& Related Services



Component 2: Funding

Proportionate Share



Funding Equitable
Special Education
Services



IDEA Requirement

Private School Proportionate Share for Equitable Services

Ensure LEAs properly determine and set-aside the proportionate share of IDEA funds to be spent on equitable services for parentally-placed private school students with disabilities.



IDEA Requirement

Comprehensive Coordinated Early Intervening Services



REQUIRED: CCEIS requires LEAs identified as having significant disproportionality to reserve the maximum (15%) amount of the total IDEA funds allocated. This includes the Part B, IDEA (611) allocation-FS 3210 and IDEA Preschool (619) allocation-FS 3220.

VOLUNTARY: CEIS permits LEAs to use up to 15% of IDEA funds allocated to develop and implement CEIS for at-risk students only.



IDEA Requirement

Private School Proportionate Share for Equitable Services



CCEIS/CEIS Reporting

- ❑ Data Collection Window July 1- June 30
- ❑ If applicable, submitted annually the second Friday in July



IDEA Requirement

LEA Maintenance of Effort (MOE) Requirement

What is MOE?

An IDEA requirement to ensure a LEA receiving IDEA Part B funds, spends and maintains at least the same amount of **state and/or local funding** for special education and related services fiscal year to fiscal year.



Who needs to meet MOE?

Any LEA that receives IDEA Part B funding



LEA Maintenance of Effort (MOE) Requirement



What is MOE based on?

The State Fiscal Year (FY) and aligns with the Federal Fiscal Year (FFY) and School Year (SY).

- ❑ FFY period: October 1st - September 30th
- ❑ Alabama FY period: October 1st - September 30th
- ❑ Alabama SY period: August - May

Example: AL FY2021 = FFY2020 = SY 2020-2021



LEA Maintenance of Effort (MOE) Requirement

What is included in MOE?

State and/or local expenditures related to providing special education and related services.

****Based on expenditures not revenues!****

What is not included in the IDEA, LEA MOE requirement?



Federal expenditures

CEIS expenditures

Reimbursements from Medicaid or other federal funds



LEA Maintenance of Effort (MOE) Requirement

What are the MOE Requirement Guidelines?

The MOE requirement has two parts:

Part 1: Eligibility Standard- is completed around July-September around the time the electronic Grant Application Process (eGAP) is completed. LEA's must show they are budgeting enough to meet the MOE requirement for the upcoming FY.

Part 2: Compliance Standard- is completed in October-November after the FY has ended, the annual report is done, and is based on actual expenditures. LEA's must meet this requirement, or they will have to pay back the ALSDE the shortage using non-federal funds.



LEA Maintenance of Effort (MOE) Compliance Component:

How does an LEA meet MOE?

Four ways:

1. Local funds only
2. The combination of state and local funds
3. Local funds per capita
4. The combination of state and local funds per capita

***Note: Meet compliance with 1 of the 4 ways**



LEA MOE Exceptions

34 CFR 300.204

Include:

- The voluntary departure (by retirement or otherwise) or the departure for just cause of special education and related services personnel.
- A decrease in the enrollment of children with disabilities.
- Children with disabilities that have an exceptionally costly program (e.g., left the LEA, aged out, or no longer need the program).
- The termination of costly expenditures for long-term purchases (equipment, construction, etc.).
- The assumption of cost by the high-cost fund which is operated by the state.



LEA MOE Report

I. Child Count of Students With Disabilities (Excludes Gifted Students)

Year	Ages 3-21	Child Count Date
FY 18	612	Oct 1, 2017
FY 18	612	Oct 1, 2017
FY 19	623	Oct 1, 2018

II. State or Local Expenditures for Special Education Programs for Students With Disabilities

Fund Sources: 1000-2999, 6000-7499, 4275, and 4285 (excludes Fund Source 6965)
 Function: 1000-6999 and 9140 (Program 4712)
 1000-6999 (Programs 2200-2499 & 2900-2999)
 Object Codes: 001-499, 620-929, and 950-969

A. Expenditures from State and Local Funds	EXPENDITURES		FY 2019 EXPENDITURES	
	FY 2018	FY 2018	LOCAL	STATE/LOCAL
	LOCAL	STATE/LOCAL	LOCAL	STATE/LOCAL
Program Code 4712	\$35,499.45	\$218,502.02	\$21,432.80	\$218,589.66
Program Codes 2200-2399	\$160,147.31	\$1,633,653.98	\$145,970.72	\$1,764,031.29
Program Codes 2400-2499	\$99,956.65	\$1,094,774.08	\$102,202.43	\$1,118,615.09
Program Codes 2900-2999	\$376,235.28	\$563,492.64	\$370,479.93	\$662,654.60

III. MAINTENANCE OF EFFORT

	LOCAL	STATE/LOCAL	LOCAL	STATE/LOCAL
A. Total Local or State/Local Expenditures	\$671,838.69	\$3,510,422.72	\$640,085.88	\$3,763,890.64
B. Child Count	612	612	623	623
C. Per Capita Expenditure (Item III.A/Item III.B)	\$1,097.78	\$5,735.98	\$1,027.43	\$6,041.56
MOE Met on Total Expenditures?			NO	YES

IV. ADJUSTMENT TO LOCAL MOE (FLEXIBILITY)

A. Reduction Flexibility (Special Use Code 0064)			\$0.00	\$0.00
B. 1. Maximum Flexibility Allowable			\$15,958.00	\$15,958.00
2. Less Amount Budgeted for CEIS (Special Use Code 0063)			\$0.00	\$0.00
3. Net Reduction Maximum Flexibility Allowable			\$15,958.00	\$15,958.00
C. Allowable Flexibility (Lesser of IV.A or IV.B.3)			\$0.00	\$0.00
D. Total Expenditures (III.A plus IV.C)	\$671,838.69	\$3,510,422.72	\$640,085.88	\$3,763,890.64
E. Per Capita Expenditures (Item IV.D/Item III.B)	\$1,097.78	\$5,735.98	\$1,027.43	\$6,041.56
MOE Met on Total Expenditures?			NO	YES

V. EXCEPTIONS TO MOE AS SUBMITTED BY THE LEA

(TO BE COMPLETED BY SDE)

If MOE has not been maintained, complete in detail, if applicable, the Exceptions to MOE worksheet located at: www.alsde.edu, Department Offices, LEA Accounting, Forms-IDEA and submit to the State Department of Education for approval.

A. Exception Amount Approved		
B. Adjusted Total		
C. Adjusted Total per Capita		



IDEA Requirement Supplement Not Supplant



IDEA Part B funds must supplement state, local and other federal funds used for providing special education services not supplant those funds.

Note: Designed to ensure Part B funds are used to pay for something “EXTRA”

If an LEA meets MOE, then the LEA meets the supplement not supplant requirement.

34 CFR 300.202



IDEA Requirement

Time and Effort



What is Time and Effort?

An internal control mechanism to document the allocability of salaries and benefits charged to a federal grant.

Who Must Participate?

- All employees paid with federal IDEA funds
- Some employees paid with non-federal funds (When salaries are split/match funded)
- Not Contracted Workers



IDEA Requirement

Time and Effort Certification

Multiple (Split-funded) Cost Objectives



Personnel Activity Reports (PARs)

- Completed at least monthly
- Completed after work completed
- Accounts for the total activity for which employee is compensated
- Signed by the employee or supervisor
- Must coincide with one or more pay period



IDEA Requirement

Time and Effort Certification

100% on Single Cost Objective



Semi-Annual Certification

- Completed at least every 6 months
- Completed after work completed
- Signed by an employee or supervisor with firsthand knowledge of the activity performed
- Accounts for the total activity for which employee is compensated



IDEA Part B and Preschool Funding



- Both the SEA and LEAs are responsible for monitoring the use of IDEA funds.
- Internal Controls are a key component of Fiscal Management and responsibility for compliance and successful outcomes.



Budget Requirements

Electronic Grant Application Process

eGAP is the Federal Programs Consolidated Application, as well as the funding applications for Career Technical Education, Safe and Drug-Free Schools, **Special Education**, and Technology Initiatives.

The eGAP system allows LEAs to:






- ✓ Submit applications
- ✓ Develop plans
- ✓ Request funding
- ✓ Provide electronic avenue to complete expenditure reports
- ✓ Meet monitoring requirements

The screenshot shows the eGAP 2.0 Sign-In interface. On the left is the Alabama State Department of Education logo and a navigation menu with links: eGAP 2.0 Home, Search, ALSDE Resources, Help for Current Page, and Contact ALSDE. The main content area is titled 'eGAP 2.0 Sign-In' and contains a sign-in form. The form has a 'Sign-In' header, an 'Email Address:' field, a 'Password:' field, a 'Forgot your password?' link, and a 'Submit' button. A 'eGAP 2.0 Sign-In' button is also visible in the top right corner of the page.



Sections

Description ([View Sections Only](#), [View All Pages](#))

		Validation	Print Select Items
	All	Messages	Print
	History Log		Print
	History Log		Print
	Create Comment		
	Allocations		Print
	Allocations		Print
	Supplemental Information		Print
	Assurances		Print
	Capitalized Equipment/Building Improvements		Print
	Substantially Approved Dates		Print
	Special Education Checklist		Print
	Special Education, Part B-IDEA	Messages	Print
	Budget	Messages	Print
	Budget Overview		Print
	Application Details		Print
	Plan Relationships		Print
	Proportionate Share Worksheet		Print
	Related Documents		Print
	IDEA Preschool	Messages	Print
	Budget	Messages	Print
	Budget Overview		Print
	Application Details		Print
	Plan Relationships		Print
	Proportionate Share Worksheet		Print
	Related Documents		Print
	All	Messages	Print

Supplemental Information

Statement of Assurances

Use of Amounts

The LEA will provide records that assure to the satisfaction of the State Education Agency that funds provided under IDEA, Part B and Preschool will not be commingled with State Funds and will be so used as to supplement and, to the extent practicable, increase the level of State and Local Funds expended for the education of children with disabilities, and in no case to supplant those State and Local Funds in accordance with Federal Regulations Title 34 CFR, Part 300, Section 202.

Maintenance of Effort

The LEA will have on file information to demonstrate that the use of funds will be used only to pay the excess costs of providing special education and related services to children with disabilities and will be used to supplement State, Local and other Federal funds and not to supplant those funds in accordance with Federal Regulations Title 34CFR, Part 300.203.

Maintenance of Effort (Exception and MOE Adjustment)

The LEA will maintain records that assure to the satisfaction of the State Education Agency that it will meet the requirements of Federal Regulation Title 34CFR, Part 231, Section 203, which states that funds under IDEA, Part B, except as provided in sections 300.204 and 300.205, shall not be used to reduce the level of expenditures for the education of children with disabilities made by the LEA from local funds below the level of those expenditures for the preceding fiscal year.

Procedural Safeguards Due Process Procedures for Parents and Children

The LEA will maintain records that assure to the satisfaction of the State Education Agency that it has procedural safeguards which meet the requirements of Federal Regulations Title 34CFR, Part 300, Subpart E, Sections 500 - 520.

Consistency with State Policies

The LEA has met and included in its LEA plan all the requirements of Federal Regulations Title 34 CFR, Part 300, Sections 201 - 213 and Title 34CFR, Part 76, Section 656.

The LEA will keep cash on hand at a minimum as required by Federal Treasury Regulations.

The LEA will abide by the approved LEA Restricted Indirect Cost Plan.

The LEA will obtain an audit which will meet the requirements as outlined in the "Audit Standards for Local School Boards."

Subpart B-State Eligibility, Free and Appropriate Public Education (FAPE) Requirements

When issuing statements, press releases, requests for proposals, bid solicitations, and other documents describing a project, the LEA shall clearly state: (1) the dollar amount of federal funds for the project; (2) the percentage of the total cost of the project that will be financed with federal funds; and (3) the percentage and dollar amount of the total cost of the project that will be financed by non-government sources (Section 511 of the 1990 Department of Education Appropriation Act).

The LEA will comply with provisions of the Hatch Act (5 U.S.C. 1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with federal funds.

The LEA will comply with federal Civil Rights regulations included in Title 34 CFR, Parts 100 through 106, and Title 45 CFR, Part 90 which prohibit discrimination based on race, national origin, disability, sex, or age.

Assurance Statement of Financial Management

This certification assures that the local educational agency (LEA) has written financial management procedures in the LEA's board approved policy manual regarding the use of federal funds including IDEA Part B funds and IDEA Preschool funds.

The superintendent certifies this information on behalf of the LEA and acknowledges that proof of fiscal policies/procedures from the LEA policy manual may be requested for review by ALSDE, SES.

Budget Line Item

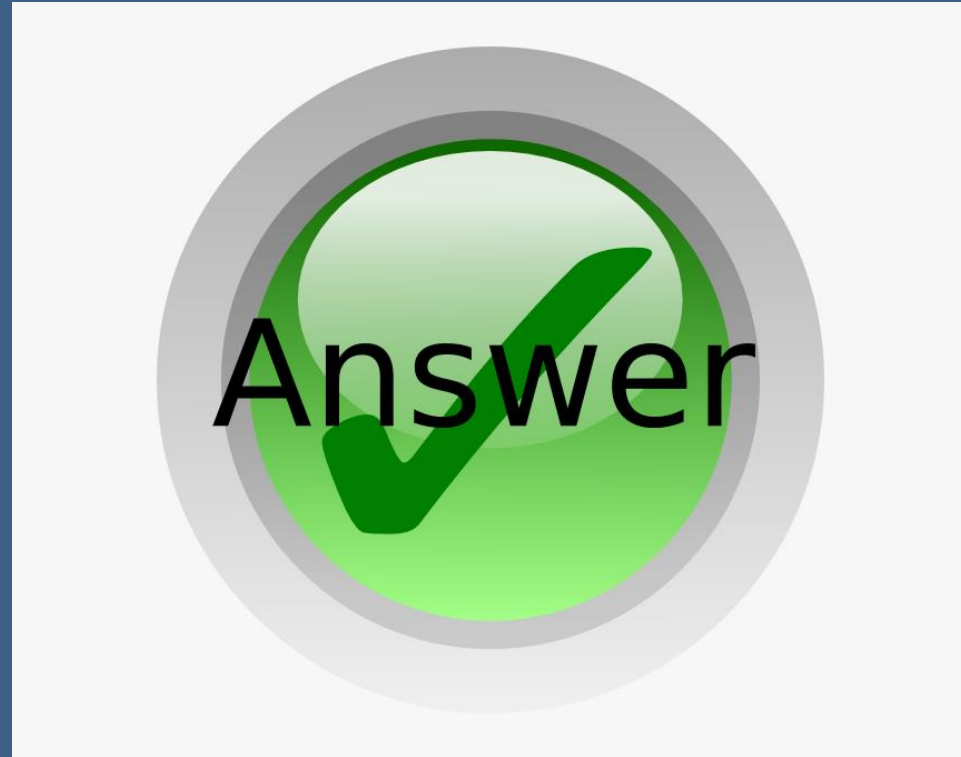
Budget Line Item		Narrative Description
Function Code:	1100 - Instruction <input type="text"/>	<p>Please provide the local education agency (LEA) goal and a detailed explanation of how the funds budgeted for this line item will support and provide services for students with disabilities. [e.g., for LEA Goal, list an area: Challenging Curricula, Highly Qualified Teachers, Technology, or other area as designated from the LEA plan; for salaries, list position(s), number of personnel, and FTEs; for materials and supplies, provide a detailed description; for purchased services, include title(s) and number of personnel and/or detailed description(s) of services.]</p>
Object Code:	010-199 - Salaries <input type="text"/>	
Location:	Autauga County (001) <input type="text"/>	
Quantity:	<input type="text" value="1.00"/>	
Cost:	<input type="text" value="\$0.00"/>	
Budget Line Item Total:	<input type="text" value="\$0.00"/>	

Total for all other Budget Line Items:		<input type="text" value="\$0.00"/>
Total for all Budget Line Items:		<input type="text" value="\$0.00"/>
Adjusted Allocation:		<input type="text" value="\$100,000.00"/>
Remaining:		<input type="text" value="\$100,000.00"/>

Deadlines and Commitments

All eGAP 2.0 IDEA budgets for a fiscal year (FY) must be submitted to the Alabama State Department of Education, Special Education Services by, **September 15th annually**



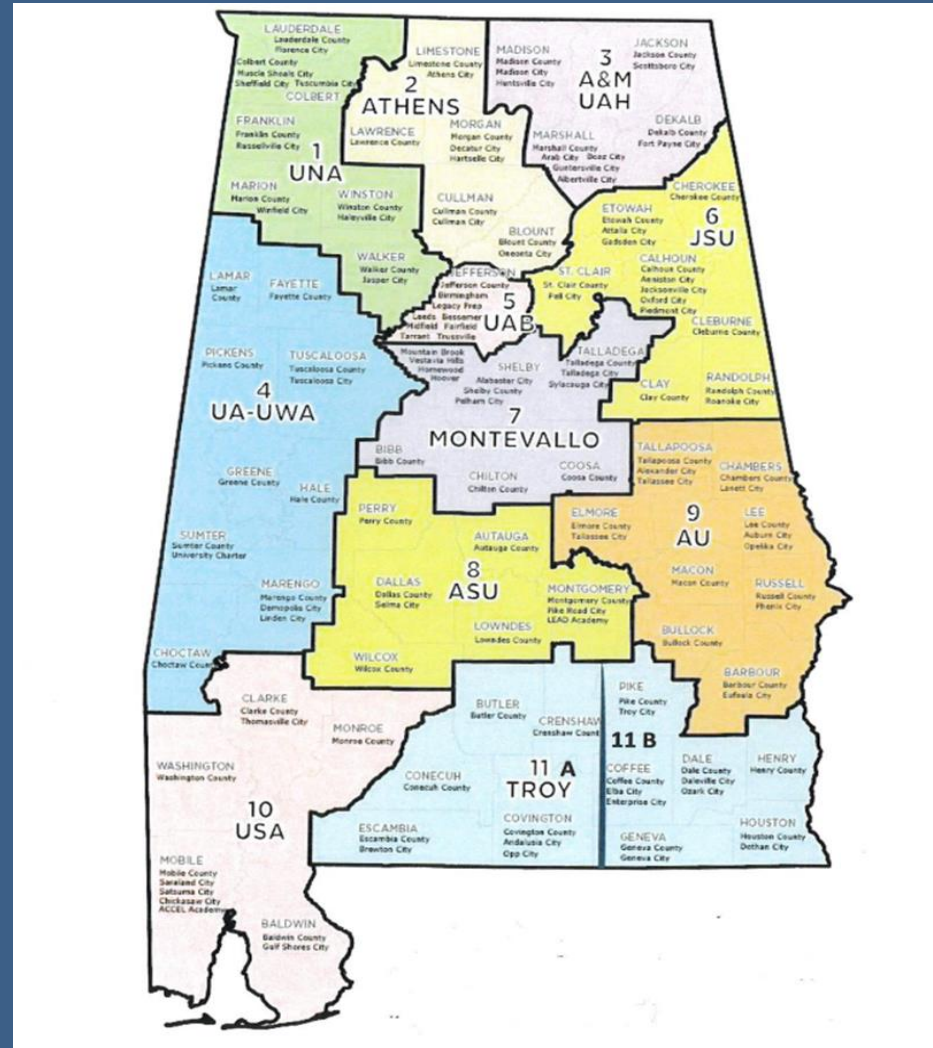


and...PRESENTING YOUR REGIONAL FISCAL SPECIALISTS

Dr. Curtis Gage
Regions 2,3,5 & 6

Ms. Camilla Gibson
Regions 7,8,9 & 11

Dr. Sabrina May
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ALSDE, Special Education Services Fiscal Management Team



If you need assistance, contact your
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