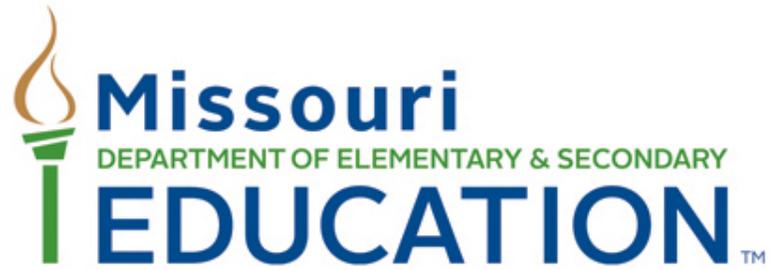


Division of Financial and Administrative Services
Special Education Finance



HIGH NEED FUND

September 2019



High Need Fund (HNF) Purpose

- Established pursuant to Section 162.974, RSMo, and IDEA, Section 300.704 (c) to provide funding support for LEAs with “High Need Students.”
- “High Need Students” are special education students whose educational costs exceed three times (3x) the LEA’s current expenditure per Average Daily Attendance (ADA).
- The current expenditure per ADA is calculated by School Finance on the Annual Secretary of the Board Report (ASBR).

Identifying Students

- Students typically eligible for this fund include, but are not limited to:
 - Students with personal aides or nurses
 - Students in contractual placements
 - Students receiving a large amount of related services
 - Students receiving one-on-one instruction

What Can Be Reimbursed?

Only costs associated with providing direct special education and related services that are identified in the student's IEP will be reimbursed by the HNF. Any expenditures for general education services are not allowed to be claimed.

Special Education and Related Costs include:

- Special Education Instruction
- IEP Related Services
- Transportation
- Tuition/Contractual
- Assistive Technology/Supplies

Special Education Instructional Costs

- Special Education Teachers
- Paraprofessionals
- Interpreters
- Others as appropriate

IEP Related Services

- Occupational, Physical, Speech Therapy
- Orientation and Mobility
- ABA Consultation
- Braille Instruction
- Counseling

Transportation

Costs for LEA operated routes for students with disabilities and individualized routes for students with disabilities can be claimed.

- Bus Transportation
- Bus Aide
- Cab Fare
- Contractual Transportation
- Parent Reimbursement

Tuition/Contractual

The actual cost from the invoices received for the student with a disability can be claimed.

- Private Agencies
- Outside School LEA Tuition

Assistive Technology/Supplies

The actual cost from the invoices received on the assistive technology/supply for the student with a disability can be claimed.

- Harness
- Braille Writer
- Speech-to-text software
- Computer

Prorated Costs

All costs must be prorated based on the number of students served or using the equipment (if applicable)

Special Ed Teacher Salary: \$41,000

Number of Students Served: 12

$\$41,000 \div 12 = \$3,416.66$ per student

Examples of proration methods to use for each type of reimbursable cost are available in the HNF Manual.

Medicaid Billing

- The LEA must indicate if it billed Medicaid for reimbursement on occupational therapy, physical therapy, speech therapy, private duty nursing, personal care, behavior health, or hearing aid services for each student on the application.
- This allows DESE to ensure that monies paid under the High Need Fund are drawn from the appropriate fund source. See 34 CFR 300.704.

Unallowable Costs

- General Education Services
- Court Costs
- Legal Fees
- Other costs associated with a cause of action brought on behalf of a student with a disability

Application Request

- LEA's must apply on the DESE provided application for 2018-19 HNF expenditure reporting and submit by email to spedfunding@dese.mo.gov. The HNF application is scheduled to be in ePeGs for 2019-20 HNF expenditure reporting.
- Applications are due September 30 following the year in which services were provided.

Example: Expenses incurred during the 2018-19 school year will be submitted by September 30, 2019.

HNF Application - Student Information

STUDENT INFORMATION WORKSHEET										
Line Number	MOSIS Student ID Number	LEA Billed Medicaid for Student Mark "x" if applicable	Instruction	Related Services	Transportation	Tuition/ Contractual/ Cooperative	Assistive Technology /Supplies	Other* Describe in Appropriate Tab	DEPARTMENT USE ONLY Total Educational Costs	DEPARTMENT USE ONLY Reimbursement Amount
	TOTAL	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	#N/A
1									0.00	#N/A
2									0.00	#N/A
3									0.00	#N/A
4									0.00	#N/A
5									0.00	#N/A
6									0.00	#N/A

Reimbursement

- LEAs with approved HNF applications may receive reimbursement from both state and federal sources. Reimbursement is 100% of approved costs.
- Payment is typically received in January or February:
 - State High Need Fund Revenue – Revenue code 5381
 - Federal High Need Fund Revenue – Revenue code 5437
- State HNF revenue can be used for any LEA current year expenditure.
- Federal HNF revenue **MUST** be used for current year K-12 special education program costs. It does not have to be spent for high need costs. LEAs must ensure that federal expenditure requirements are followed for expenditures paid with federal HNF revenue.

Reimbursement

Threshold Determination:

LEA Current Expenditure per ADA:	\$6,105
3x Current Expenditure per ADA:	\$18,315

$$\$6,105 \times 3 = \$18,315$$

Reimbursement Methodology:

Educational Costs for Student:	\$31,000
LEA Responsibility (3x Amount):	\$18,315
LEA Reimbursement Amount:	\$12,685

$$\$31,000 - \$18,315 = \$12,685$$

Coding Expenditures

The **Source of Funds Code** is used to identify a subset of revenue used to fund a specific expenditure.



The **Project Code** is used to identify an expenditure paid for with a specific source of revenue or part of a specific grant.

Source Of Funds

SOURCE DESCRIPTION	SOURCE CODE
Local	1
County	2
State	3
Federal	4

Special Education Project Codes

Project code to use when coding special education expenditures paid with federal HNF revenue

Project Description – Federal Funding	Project Code
Special Education High Need Fund - Federal	43703

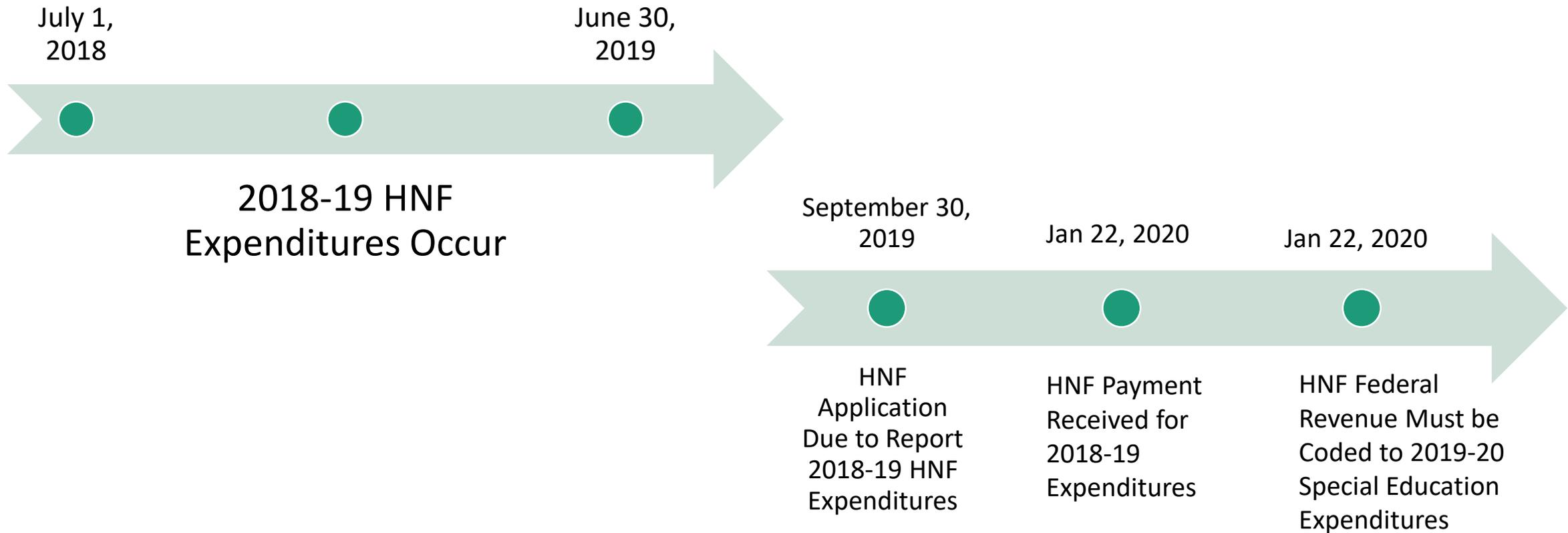
MUST use source code 4

Project code to use when coding special education expenditures paid with non-federal revenue

Project Description – State/Local/County Funding	Project Code
K-12 Special Education Expenditure	12210

MUST use source codes 1, 2, or 3

Coding Expenditures With HNF Federal Revenue



SOURCE CODE

PROJECT CODE

2019-20

BUDGETED
AMOUNTYTD
AMOUNTMONTHLY
AMOUNT

FD	FUNC	OBJ	LOC	SRCE	PROG		BUDGET	YTD	MONTH
*** FUNCTION 1221 : SE SPECIAL EDUCATION AND RELATED SERVICES									
2	1221	6111	4020	4	44100	SE CERTIFIED SALARIES	-80,000.00	72,500.00	10,000.00
2	1221	6111	4020	3	12210	SE CERTIFIED SALARIES	-20,000.00	20,000.00	0.00
2	1221	6111	1050	3	12210	SE CERTIFIED SALARIES	-30,000.00	25,000.00	5,000.00
1	1221	6151	4020	4	43703	SE SALARY NONCERT	-10,000.00	5,000.00	3,000.00
1	1221	6151	4020	3	12210	SE SALARY NONCERT	-50,000.00	50,000.00	6,000.00
2	1221	6211	4020	3	12210	SE CERT TEACHER RETIREMENT	-5,000.00	5,000.00	200.00
2	1221	6211	1050	3	12210	SE CERT TEACHER RETIREMENT	-3,000.00	2,000.00	50.00
1	1221	6211	4020	3	12210	SE NONCERT TEACHER RETIREMENT	-5,000.00	5,000.00	100.00
2	1221	6231	4020	3	12210	SE SOCIAL SECURITY	-5,000.00	5,000.00	200.00
2	1221	6231	1050	3	12210	SE SOCIAL SECURITY	-3,000.00	1,000.00	50.00
2	1221	6232	4020	3	12210	SE MEDICARE	-5,000.00	5,000.00	100.00
2	1221	6232	1050	3	12210	SE MEDICARE	-3,000.00	1,000.00	50.00
2	1221	6241	4020	3	12210	SE MEDICAL INSURANCE	-5,000.00	5,000.00	100.00
2	1221	6241	1050	3	12210	SE MEDICAL INSURANCE	-3,000.00	500.00	50.00
1	1221	6410	4020	3	12210	SE SUPPLIES	-2,500.00	2,500.00	0.00
1	1221	6410	1050	3	12210	SE SUPPLIES	-2,500.00	2,500.00	0.00
SUB TOTAL							-229,500.00	204,500.00	22,900.00
*** FUNCTION 1224 : PROPORTIONATE SHARE SERVICES									
2	1224	6111	4020	4	44100	PS CERTIFIED SALARY	-10,000.00	2,500.00	100.00
2	1224	6211	4020	4	44100	PS TEACHER RETIREMENT	-1,000.00	50.00	10.00
1	1224	6231	4020	4	44100	PS SOCIAL SECURITY	-1,000.00	50.00	10.00
1	1224	6232	4020	4	44100	PS MEDICARE	-1,000.00	50.00	10.00
1	1224	6410	4020	4	44100	PS GENERAL SUPPLIES	-100.00	100.00	0.00
SUB TOTAL							-12,900.00	2,750.00	130.00
*** FUNCTION 1281 : EARLY CHILDHOOD SPEC ED									
2	1281	6111	4020	4	44200	ECSE TEACHER SALARY	-10,000.00	10,000.00	1,500.00
2	1281	6111	4020	4	44201	ECSE TEACHER SALARY	-5,000.00	4,000.00	1,000.00
2	1281	6111	4020	3	12810	ECSE TEACHER SALARY	-30,000.00	20,000.00	2,500.00
2	1281	6211	4020	3	12810	ECSE TEACHER RETIREMENT	-5,000.00	500.00	50.00
2	1281	6232	4020	3	12810	ECSE MEDICARE	-1,000.00	100.00	10.00
SUB TOTAL							-51,000.00	40,000.00	5,600.00

Questions?

Contact the Special Education Finance Section:

- E-mail: spedfunding@dese.mo.gov
- Telephone: (573) 751-0622

High Need Manual, Application, and Payment History may be found at:

<http://dese.mo.gov/financial-admin-services/special-education-finance/other-available-funding>

Part B Special Education Finance Guidance when using HNF Federal revenue may be found at: <https://dese.mo.gov/financial-admin-services/special-education-finance/fiscal-monitoring>