DIVISION OF FINANCIAL AND ADMINISTRATIVE SERVICES

Special Education Finance

FEDERAL REQUIREMENTS OVERVIEW FOR PART B IDEA

The Department of Elementary and Secondary Education does not discriminate on the basis of race, color, religion, gender, national origin, age, or disability in its programs and activities. Inquires related to Department programs and to the location of services, activities, and facilities that are accessible by persons with disabilities may be directed to the Jefferson State Office Building, Office of the General Counsel, Coordinator – Civil Rights Compliance (Title VI/Title IX/504/ADA/Age Act), 6th Floor, 205 Jefferson Street, P.O Box 480, Jefferson City, MO 65102-0480; telephone number 573-526-4757 or TTY 800-735-2966; fax number 573-522-4883; email civilrights@dese.mo.gov.

Fall, 2011

Missouri Department of Elementary and Secondary Education

Federal Part B IDEA Funds

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IDEA Part B Entitlement funds (Section 611) are Federal funds your District/LEA receives to help support your special education program and implement IDEA.

2011-12 $179 million Regular Part B "flow through" funds for Districts/LEAs

The FY12 Part B Allocations are posted at: http://dese.mo.gov/divspeced/Finance/.

Federal IDEA Part B Funds Formula

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Three separate components in formula:

1. Base Amount;
2. Population Count
   - September Enrollment
   - Home School
   - Non-Public
   - Neglected/Delinquent
3. Poverty Count
   - Free/Reduced Lunch Count

Permissive Use Of Part B Funds (34 CFR §300.208)

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- Costs of Special Education and Related Services
- Supplementary Aids and Services
- Administrative Case Management
- Coordinated Early Intervening Services (CEIS)

Part B funds may be spent on the following:

•Costs of Special Education and Related Services
•Supplementary Aids and Services
•Administrative Case Management and;
•Up to 15% of Part B Allocation may be spent on Coordinated Early Intervening Services

Part B IDEA Requirements

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- Assurances
- Excess Cost (Verification of)
- Maintenance of Effort
- Proportionate Share
- Supplement – NOT Supplant
- Office of Management and Budget (OMB) Circular A-87 Certifications/Time and Effort Logs
- Inventory Control for items purchased with IDEA funds
- Capital Costs
- Prorating Expenditures

In order to be eligible for Part B funds, your district has several requirements that must be met before and after receipt of funds.

Also, because these are federal funds you need to be aware of requirements according to the Education Department General Administrative Regulations otherwise known as EDGAR and Office of Management and Budget (OMB) requirements.

Part B IDEA Requirements

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- CEIS if LEA has a determination of significant disproportionality
- Education Department General Administrative Regulations (EDGAR)
- Payment Requests-timing issues
- Tracking Federal Expenditures

In order to be eligible for Part B funds, your district has several requirements that must be met before and after receipt of funds.

Also, because these are federal funds you need to be aware of requirements according to the Education Department General Administrative Regulations otherwise known as EDGAR and Office of Management and Budget (OMB) requirements.

Assurances (34 CFR §300.200)

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- Districts/LEAs providing services to students with disabilities must submit annual assurances to the Department regarding their compliance with the applicable federal and state statutes and regulations.
- Assurances are agreed to in ePeGS reporting system through the Core Assurances and Grant Specific Assurances.

The District/LEA must complete the assurances indicating Federal Part B funds will be spent appropriately.

Excess Cost
(34 CFR §300.202)

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- Federal funds may only be used to pay excess cost of providing special education and related services to children with disabilities.
- District/LEA must spend at least the minimum average amount for the education of its children with disabilities before Part B funds are used.
- Districts must document that children receiving special education services cost more than those in regular education.

A school district or LEA meets the excess cost requirement if it has spent at least a minimum average amount for the education of its children with disabilities before Part B funds are expended.

Excess Cost

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The Excess Cost Requirement prevents a District/LEA from using funds provided under Part B to pay for all the costs directly attributable to the education of a child with a disability ages 6 through 17.

A district/LEA may not use funds provided under Part B of IDEA to pay for all of the costs directly attributable to the education of a child with a disability ages six (6) through seventeen (17).

Calculating Excess Cost

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The Department will calculate the Excess Cost each year. If LEA/District does not meet Excess Cost, the Department will contact the LEA/District.

Excess costs must be calculated in accordance with 34 CFR 300.16 and may not include capital outlay or debt service.

Maintenance Of Effort (MOE) (34 CFR §300.203)

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Funds provided to a District/LEA under Part B must not be used to reduce the level of expenditures for the education of children with disabilities made by the District/LEA from local funds below the level of those expenditures for the preceding fiscal year.

For more information regarding MOE, please see the MOE webpage located at http://dese.mo.gov/divspeced/Finance/mofeindex.html.

MOE Expenditures

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LEA/District must spend the same amount in total or per capita (child) basis for students with disabilities as it spent from those same sources in prior year of either:

- Local funds only

OR

- Combination: State and Local funds

Districts may want to break down expenditures between state and local funds since districts may also meet Maintenance of Effort requirements with local funds only.

MOE Example 1—Total Expenditures

Meeting MOE using TOTAL Special Education expenditures (Local only or Combination State/Local):

Example:

2008-09: $50,000

2009-10: $40,000 (Less than 2008-09 = MOE Not Met: Must explain)

2010-11: $50,000 (Greater than 2009-10 = MOE Met)

Prior year expenditures may only be less than next year if allowable exceptions or adjustment can be claimed.

MOE Example 2—Per Child Basis

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Formula:

Total MOE / Dec. 1 Count = Per Child Amount

Example:

2008-09 $50,000 / 14 Child Count = $3,571

2009-10 $40,000 / 9 Child Count = $4,444 (≥ $3,571 = MOE Met)

2010-11 $39,000 / 8 Child Count = $4,875 (≥ $4,444 = MOE Met)

In this example, even though the district spent less in total, they had a reduction in child count. They are still maintaining MOE on a per child basis and is in compliance with MOE requirement.

Calculating MOE

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Include ONLY special education expenditures paid from non-federal sources

Do Not Include Expenditures Paid With:

- Federal Part B
- Federal ARRA Part B
- Federal ECSE
- Federal ECSE ARRA
- Medicaid
- Federal High Need Fund
- State Improvement Grant

Calculating MOE

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The District/LEA should NOT use the “back-out” method to determine MOE.

The “back-out” method is deducting federal revenues from total special education expenditures to determine MOE.

Calculating MOE

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Instead of using the "back-out" method, LEAs should calculate MOE by the following steps:

- Code all Special Education expenditures to a special education function code
- Determine what Special Education expenditures will be paid with federal, state, and local funds
- Tag all federal special education expenditures with a project/source code to identify it as a federal special education expenditure
- Anything remaining that is not tagged with a project/source code will be the MOE amount

MOE Calculation Assistance						
	CURRENT YEAR			BUDGETED NEXT YEAR		
Special Education Only Expenditures	EXPENDITURES PAID FROM FEDERAL FUNDS	EXPENDITURES PAID FROM LOCAL FUNDS	EXPENDITURES PAID FROM STATE FUNDS	EXPENDITURES PAID FROM FEDERAL FUNDS	EXPENDITURES PAID FROM LOCAL FUNDS	EXPENDITURES PAID FROM STATE FUNDS
	DO NOT include amounts in MOE!	Include Amounts in MOE if applicable (see instructions)	Include Amounts in MOE if applicable (see instructions)	DO NOT include amounts in MOE!	Include Amounts in MOE if applicable (see instructions)	Include Amounts in MOE if applicable (see instructions)
Capital Costs (renovation, construction, real estate,etc.)	$ -	$ -	$ -	$ -	$ -	$ -
Clerical Staff	$ -	$ -	$ -	$ -	$ -	$ -
Coordinated Early Intervening Services (CEIS)	$ -	$ -	$ -	$ -	$ -	$ -
Contractual Services	$ -	$ -	$ -	$ -	$ -	$ -
Coop Fees	$ -	$ -	$ -	$ -	$ -	$ -
ECSE Reimbursement	$ -	n/a	$ -	$ -	n/a	$ -
Equipment	$ -	$ -	$ -	$ -	$ -	$ -
Extended School Year	$ -	$ -	$ -	$ -	$ -	$ -
Guidance Services	$ -	$ -	$ -	$ -	$ -	$ -
Health Services	$ -	$ -	$ -	$ -	$ -	$ -
Occupational Therapist	$ -	$ -	$ -	$ -	$ -	$ -
Operation of Plant	$ -	$ -	$ -	$ -	$ -	$ -
Paraprofessionals/Teacher Aides	$ -	$ -	$ -	$ -	$ -	$ -
Physical Therapist	$ -	$ -	$ -	$ -	$ -	$ -
Professional Development	$ -	$ -	$ -	$ -	$ -	$ -
Proportionate Share	$ -	$ -	$ -	$ -	$ -	$ -
Psychology Services	$ -	$ -	$ -	$ -	$ -	$ -
Special Education Administrator	$ -	$ -	$ -	$ -	$ -	$ -
Special Education Process Coordinator	$ -	$ -	$ -	$ -	$ -	$ -
Speech/Language Pathologist	$ -	$ -	$ -	$ -	$ -	$ -
Substitutes	$ -	$ -	$ -	$ -	$ -	$ -
Supplies	$ -	$ -	$ -	$ -	$ -	$ -
Teachers	$ -	$ -	$ -	$ -	$ -	$ -
Transportation (Pupil)	$ -	$ -	$ -	$ -	$ -	$ -
Travel (Employee)	$ -	$ -	$ -	$ -	$ -	$ -
Tuition, Severely Handicapped	$ -	$ -	$ -	$ -	$ -	$ -
Tuition to another district	$ -	$ -	$ -	$ -	$ -	$ -
Utilities	$ -	$ -	$ -	$ -	$ -	$ -
Other	$ -	$ -	$ -	$ -	$ -	$ -
Totals	$ -	$ -	$ -	$ -	$ -	$ -

Maintenance of Effort Options:

1. Total "Local Funds Only" method. The LEA must be able to separate out Local and State Special Education Expenditures in their accounting system to be able to use this method. Use the "Total Local Funds" column if claiming this method.

2. Per Child "Local Funds Only" method. Formula: Total Local Only funds divided by the December 1 child count = Per child rate. DESE compares the "rates" to be sure MOE has been maintained. This method is useful when the LEA as a drop in December 1 child count.

3. Total "Local and State Funds" method. If you are not able to separate "Local and State", enter the total in the State Column. Otherwise, add together the Local and State Totals for MOE if claiming this method.

4. Per Child "Local and State Funds" method. Formula: Total Local and State funds divided by the December 1 child count = Per Child Rate. DESE compares the "rates" to be sure MOE has been maintained.

The MOE Calculation Worksheet is a tool that can be used to assist LEAs in determining MOE. It is posted on the Special Education Finance Maintenance of Effort page at http://dese.mo.gov/divspeced/Finance/mofeindex.html.

MOE Budgeted vs. MOE Actual

The District/LEA reports MOE in the Part B FER

2010-11 Budgeted MOE reported in the 2009-10 FER.

- Must Budget an amount ≥ 2009-10 MOE
- No upfront approval on projected 2010-11 Exceptions or MOE Adjustment

2010-11 Actual MOE reported in the 2010-11 FER.

- Applicable Exceptions or Adjustment taken

MOE Exceptions

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- Voluntary Departure of Special Education Staff
- Decrease in Enrollment of Children with Disabilities
- Termination of a Costly Obligation for a Specific Child
- Assumption of the Cost by the High Need Fund
- Termination of a Costly Long-Term Purchase

These are the ONLY allowable Exceptions to MOE!

IDEA does permit some allowable exceptions when a LEA cannot meet MOE.

•1) Voluntary departure of special education staff

•A teacher retired and was replaced with a lower paid teacher. You can claim the difference in salaries and benefits paid from state or local funds. If you are using "Local Only" for MOE purposes, be sure and only claim the difference in Local funds.

•2) Decrease in enrollment of children with disabilities.

•LEA experienced a significant drop in the number of students with disabilities from one year to the next. LEA would need to document positions/services no longer needed due to the decrease.

•3) Termination of a costly obligation for a specific child because the child has left the jurisdiction of the LEA or no longer needs the program of special education.

•District had a child placed in a private agency that moved. Those costs associated with that child may be used to reduce maintenance of effort.

•4) Termination of a costly long-term purchase such as the acquisition of equipment or construction of school facilities.

•District built a life skills classroom with local funds.

•5) Assumption of the cost by the high need fund—districts may reduce their fiscal effort by the amount previously expended from state and/or local funds that now qualifies for reimbursement through the state operated fund. The state operated fund in Missouri is called the High Need Fund. ***The LEA would only claim as a reduction the federal amount received from the state.***

MOE Adjustment

IDEA allows the District/LEA to reduce MOE threshold when allocations increase from one year to next.

This reduction assists District/LEA in spending increase in federal funds.

MOE Adjustment

MOE Adjustment is calculated by taking 50% of the increase in allocation from prior year to current year Part B allocation.

Example:
Prior Year's Allocation: $900,000
Current Year's Allocation: $1,000,000
Increase: $100,000
Max Available for MOE reduction: $50,000

MOE Adjustment Facts

- The MOE Adjustment DOES NOT decrease Part B Allocation but instead the amount of Local/State Funds that must be spent on students with disabilities (MOE).
- You DO NOT have to budget or expend the full amount of Part B funds to take advantage of the Adjustment.
- MOE Adjustment must be taken in the year of the increase
- MOE Adjustment resets the MOE for MOE Adjustment year and future years until District/LEA voluntarily increases MOE.

Proportionate Share
(34 CFR §300.133)

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- Each District shall spend a proportionate amount of its Part B funds on parentally-placed private school children with disabilities.
- District where a private school is located is responsible.
- Districts are also responsible to provide services to home-schooled students with disabilities.

Proportionate Share is the amount of Part B funds an LEA must spend on parentally-placed children in private schools with disabilities. This includes religious and home school students.

Districts receive a portion of their Part B fund calculation based on the count of their private school children and Home school children reported in core data.

The district where the private school is located is responsible for the proportionate share requirement.

See the Proportionate Share webpage at http://dese.mo.gov/divspeced/Finance/ps.html for additional information.

Proportionate Share - Child Find

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Each District must locate, identify and evaluate all children with disabilities who are enrolled by their parents in private, including religious,… schools located in the school district served by the District.

34 CFR 300.131(a)

IDEA requires that each LEA must locate, identify and evaluate all children with disabilities who are enrolled by their parents in private schools including religious and home schools located in their school district.

Proportionate Share Expenditures

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Each District must spend the proportionate amount of their Part B funds on students ages five (5) to twenty-one (21) who have been evaluated and determined eligible for special education and related services by the public school.

According to IDEA 2004 each LEA must spend an amount that is the same proportion of the LEA's total subgrant under section 611(f) providing special education and related services (including direct services) to parentally placed private school children with disabilities for children aged 3 through 21.

Children age 3 through 5 are considered to be parentally placed private school children is they are enrolled in a private school that meets the definition of elementary school in 300.13. In Missouri an elementary school is defined as a non profit institutional day or residential school, including a public elementary charter school that provides elementary education for ***kindergarten through eighth grade.*** Therefore, in Missouri, private preschool children are not considered under the proportionate share rule.

Proportionate Share Expenditures

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State and local funds may supplement but not supplant federal funds for this population

34 CFR 300.133(d)

Cost of child find may not be considered in proportionate share obligation

34 CFR 300.131(d)

State and local funds may supplement but not supplant the Part B federal funds for this population. In other words, the amount of Proportionate Share must come from Part B funds and the LEA may supplement with State or local funds.

Also, the cost of child find may not be considered in proportionate share obligation.

Proportionate Share Carry Over

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- Any unspent proportionate share funds must be obligated during a carryover period of one additional year.
- May request a release of unspent carryover if unable to expend all on proportionate share students in the carryover year.

If an LEA has not expended all of their calculated proportionate share funds by the end of the fiscal year for which Congress appropriated the funds, they must obligate the remaining funds for special education and related services to parentally-placed private school students with disabilities during a carryover period of one additional year.

If LEAs are unable to spend all of their Proportionate share monies, they might need to consider increasing the level and type of services they are providing for private school students which would be discussed as part of the consultation meeting.

LEA may ask for a release of carryover funds in February each year.

Supplement Not Supplant (34 CFR §300.202)

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Federal Part B Funds may only be used to supplement state, local or other non-federal funds spent on students with disabilities.

MOE MET =
MET NON SUPPLANT REQUIREMENT

No requirement currently exists related to supplanting "particular costs" in IDEA. If an district meets the Maintenance of Effort (MOE) Requirement, it will not violate the supplement/not supplant requirements of the IDEA.

So if you previously paid for a teacher with state/local funds, you can pay them with federal funds as long as you continue to spend the same amount of state/funds for special education.

You should note the Supplement not Supplant Requirement is different in other federal programs.

Office of Management and Budget (OMB) Circular A-87

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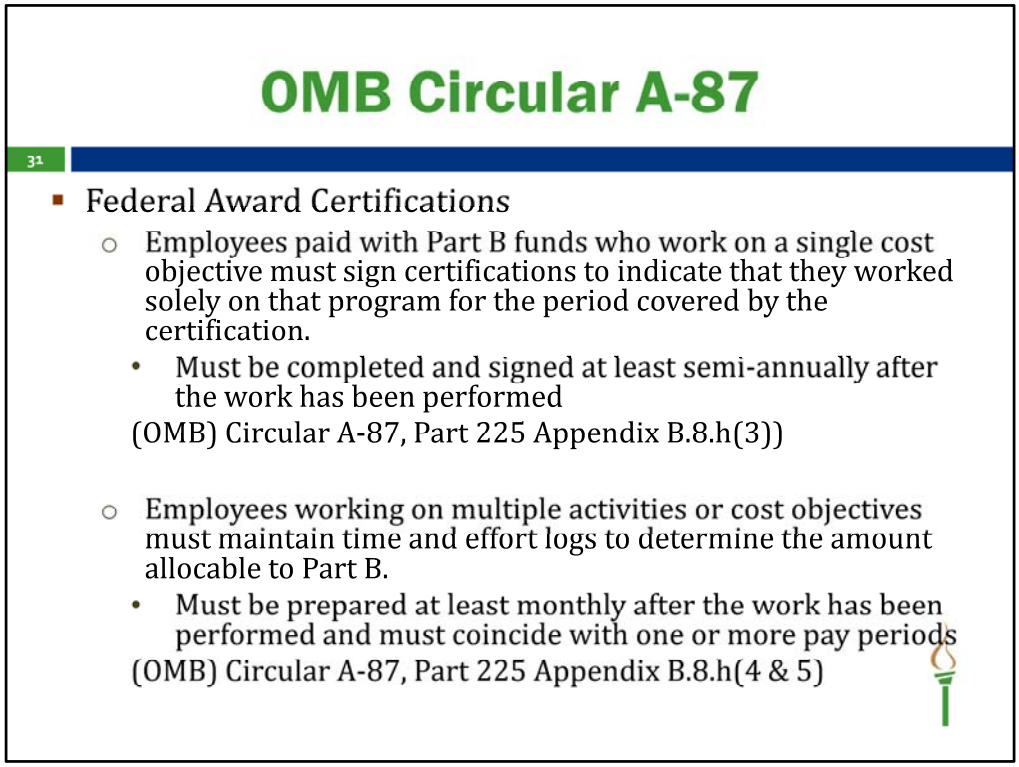
Federal Requirements

- Records Retention
  - 3 years past end of grant
- Allowable Costs
  - Must be necessary and reasonable
- Indirect Costs
  - Costs incurred for a common or joint purpose benefiting more than one cost objective, and
  - Not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved

According to OMB Circular A-87 there are several Federal requirements you need to be aware of:

- Records of expenditures paid with federal funds must be retained for 3 years past end of grant.
- Allowable Costs are costs that are necessary and reasonable for proper and efficient performance and administration of the Federal award.
- Indirect Costs may be charged against a grant. Indirect costs can be defined as:
  - Costs incurred for a common or joint purpose benefiting more than one cost objective, and
  - Not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved.
  - Part B only allows the use of the restricted Indirect cost rate.
  - The Indirect Cost rate is certified by DESE's School Finance section each year.



Federal Award Certifications are required for:

- Employees paid with Part B funds must sign certifications each semester to certify they spent 100% of their time on special education activities.
- Employees paid in part with Part B funds working on multiple activities or cost objectives must complete time and effort documentation in order to determine the amount allocable to Part B
  - District must review time studies quarterly and adjust amount of salaries quarterly if variance is at least 10%. Otherwise, the adjustment can be made at the end of the year.

See http://dese.mo.gov/divspeced/Finance/FiscalMonitoring.html for more information and examples of single funding certification forms and time and effort logs.

Time Reporting Example

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Single Funding Source / Single Cost Objective

- A teacher providing only special education services 100% of the day is charged 100% to the Part B grant

  - Funding Source: IDEA Part B Only
  - Cost Objective: Special Education Only
  - Reporting Type: Single Funding Certification Form

Time Reporting Example

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Multiple Funding Source / Single Cost Objective

- A teacher providing only special education services 100% of the day is funded with Part B funds and state/local special education funds
  - Funding Source: IDEA Part B, Local & State
  - Cost Objective: Special Education Only
  - Reporting Type: Single Funding Certification Form

Time Reporting Example

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Multiple Funding Source / Multiple Cost Objective

- A teacher providing special education services 60% of the day (funded with Part B funds) and bilingual instruction to English Language Learners 40% of the time (funded with local funds)

  - Funding Source: IDEA Part B & Local
  - Cost Objective: Special Education & ELL
  - Reporting Type: Time and Effort Log

Time Reporting Example

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Single Funding Source / Multiple Cost Objective

- A school psychologist works 50% of the day with special education students and 50% of the day providing coordinated early intervening services (CEIS) to students without IEPs
  - Funding Source: IDEA Part B
  - Cost Objective: Special Education & CEIS
  - Reporting Type: Time and Effort Log

Inventory Control

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All capital outlay purchased with federal monies costing $1000 or more per unit/set is subject to inventory management and control requirements as follows:

- Items shall be physically marked.
- Inventory records must be current and available for review and audit. The following information must be included to be in compliance:
  - description of the property
  - manufacturer's serial number or other identification number
  - identification of the funding source used to purchase property
  - acquisition date
  - unit cost
  - source of property (vendor name)
  - percentage of federal funds used for purchase
  - present location, use, condition of the property, and date the information was reported
  - items purged, transferred or replaced must have pertinent
  - information recorded regarding the disposition of the equipment.

All capital outlay costing $1000 or more per unit/set is subject to specific inventory management and control requirements as follows:

1. Items acquired using federal monies shall be physically marked by source of funding and acquisition date.
2. Inventory must be current and available for review and audit. The following information must be included to be in compliance:

   a. description of the property, including manufacturer's model number, if any

   b. manufacturer's serial number or other identification number

   c. identification of the funding source under which the property was acquired

   d. acquisition date and unit cost

   e. source of property (company name)

   f. percentage of federal funds used in the purchase of the property

   g. present location, use, condition of the property, and date the information was reported

   h. all pertinent information on the ultimate transfer, replacement, or disposition of the equipment
3. Inventory must be updated as items are purged or new purchases are made.

Inventory Control

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- Adequate safeguards must be in effect to prevent loss, damage, or theft of the property.
- Any loss, damage, or theft must be investigated and fully documented.
- The District/LEA is responsible for replacing or repairing lost, damaged, destroyed, or stolen property.
- If stolen property is not recovered, the District/LEA should submit copies of the investigative report and insurance claim to DESE.
- Replaced equipment is automatically considered property of the originally funded program and should be inventoried accordingly.
  - Adequate maintenance procedures must be implemented.
  - A physical inventory of items must be taken and the results reconciled with the inventory records at least once every two years.

Capital Costs (Federal Funds)

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Prior Approval is required:

- Alteration / Renovation: changing an existing LEA-owned structure
- Construction - building a new structure
- Real Estate - purchasing a structure or land
- Buses/Vehicles

The Part B Capital Outlay Purchase Approval Form is located at:
http://dese.mo.gov/divspeced/Finance/partbentitlement.html

Prorating Expenditures

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IDEA requires all expenditures with IDEA funds to be directed 100% toward Special Education; otherwise the cost should be prorated, unless the benefit to non-special education students is incidental and justifiable.

Coordinated Early Intervening Services (CEIS) (34 CFR §300.226)

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District/LEA may use up to 15% of their Part B 611 Allocation to assist students in Kindergarten through Grade 12 not yet identified as needing special education services but need additional academic and behavioral supports to succeed in the general education environment.

Federal regulations recommend particular emphasis on students in Kindergarten through 3rd grade.

LEAs may use up to 15% of their Part B entitlement for **Coordinated Early Intervening Services or CEIS** to students in Kindergarten through grade 12 who have not been identified as needing special education services but are in need of additional academic and behavioral supports to succeed in the general education environment. The federal regulations recommend particular emphasis on students in Kindergarten through 3rd grade.

CEIS – Significant Disproportionality (34 CFR §300.646)

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If significant disproportionality is determined, the District/LEA must reserve the maximum amount (15%) for CEIS to provide comprehensive CEIS to serve children in the District/LEA, particularly, but not exclusively to children in those groups that were significantly over identified.

CEIS

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Funding may be used for:

- Professional development for teachers and other staff to deliver academic instruction and behavioral interventions
- Direct interventions (educational and behavioral evaluations, services, and supports)
- Activities aligned with Elementary and Secondary Education Act (ESEA) funded activities; however they must be used to supplement and not supplant funds made available under the ESEA

Examples:

- Reading or math specialists to work with non-disabled students who have not reached grade-level proficiency in those subjects
- After-school tutoring for non-disabled students who score below "basic" on statewide assessments

If an LEA chooses to use CEIS funds for services to children who need academic and behavioral support, it must ensure that CEIS funds are used for one or more of the following three purposes:

First, to provide professional development solely to educators who are responsible for students who need additional academic and behavioral support to succeed in a general education environment;

Second, to provide direct interventions, such as the services of a reading teacher or behavior specialist, or materials and supplies directly related to those services or interventions.

Third, to provide services aligned with activities funded under the ESEA, such as Title I or Title III activities.

CEIS

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Evaluations:

- Part B funding under CEIS may not be used for universal screenings
- Part B funding under CEIS may not be used for evaluations intended to determine eligibility for special education
- CEIS is not intended to delay appropriate evaluation of a child suspected of having a disability
- CEIS funds may be used to fund progress monitoring

Progress monitoring is an allowable use of CEIS funds when it is used to determine the response to an intervention that is supportable with these funds

CEIS

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Response to Intervention & CEIS:

- Tier 1: NO - because applies to all students in a general education setting (core instruction)
- Tier 2: YES – because activities provide specialized small group instruction for struggling students (without IEPs only)
- Tier 3: YES – because activities provide individualized instruction or support for struggling students (without IEPs only)
- RTI and Federal Funding Streams PowerPoint presentation posted at:
  http://dese.mo.gov/divspeced/Finance/documents/sef-RTIfederal.pdf

CEIS funds may not be used to implement core instruction because this would violate the requirement that CEIS funds be used to provide additional academic and behavioral supports.

CEIS Reporting

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Districts using IDEA Part B funds for CEIS must submit expenditure and student data information to DESE through:

1. ePeGS Part B FER
2. CEIS Reporting Verification Sheet (RVS)

Both the Part B FER and the RVS are due Sept. 30 each year.

CEIS Reporting — ePeGS FER

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FY11 FER Report under function codes 1110, 1130, & 1150
(New Code for FY12 is 1223)

- Professional development provided
- Detail of what educational and behavioral evaluations, services, and supports were provided.
- Number of students who received CEIS using IDEA Part B funds who were not eligible for IDEA services at the time they received these services during the school year.
- Of the students who had IEPs during this school year, report the number that had received CEIS using IDEA funds anytime in the past two school years.

CEIS Reporting — RVS

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- The date the CEIS activity occurred
- The description of the CEIS activity that occurred
- The cost of the CEIS activity
- The titles of all participants that attended the activity (i.e. 4th Grade Reading Teacher)
- The number of Special Education Students served by the CEIS activity (this number should be zero as CEIS is for students without an IEP)
- The funding source to verify that districts aren't supplanting CEIS funds
- The group(s) benefiting from the CEIS activity

CEIS/MOE Decision Issues

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CEIS services

- May reduce the number of children who need special education in the future, thus reducing future increased costs

MOE reductions

- The amount of Part B Expended for CEIS may affect the amount of Adjustment to MOE

The MOE reduction and CEIS are interrelated for the purposes of calculations. The amount of funds expended for CEIS will count toward the maximum amount by which an LEA may reduce MOE.

Example:

Prior Year's Allocation: $900,000

Current Year's Allocation: $1,000,000

Increase: $100,000

Max Available for MOE reduction: $50,000

Max Available for CEIS: $150

If the district chooses to set aside $150,000 to $50,000 for CEIS, it may not reduce its MOE (MOE max $50,000 less $150,000-$50,000 means $0 can be used for MOE)

If the district chooses to set aside $30,000 for CEIS, it may reduce its MOE by $20,000 (MOE max $50,000 less $30,000 for CEIS means $20,000 can be used for MOE).

In other words, the two numbers (CEIS and MOE reduction amounts) added together cannot exceed the max available for MOE reduction.

Education Department General Administrative Regulations (EDGAR)

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www.ed.gov/policy/fund/reg/edgarReg/edgar.html

Equipment Definition §74.34

Obligating Funds §76.708

Districts should be aware of various EDGAR Regulations. See the link on this page for an online version of EDGAR.

Here are a couple of requirements you should review.

Obligating Funds

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- Obligate means reserve, commit, or set-aside funds for a specific activity or project.
- Obligation date begins when the Part B Application (due July 1) is substantially approved.
- Budget applications will be substantially approved as of the submission date (but not prior to July 1); therefore, IDEA Part B funds shall not be obligated until the application has been submitted.
- Applications submitted past due date will be substantially approved as of the date submitted (no back-dating) and cannot obligate funds until that date.

Obligation Begins...

IF THE OBLIGATION IS FOR--	THEN THE OBLIGATION IS MADE--
Acquisition of mobile units	On the date the school district makes a binding written commitment to acquire the property
Rental of real or personal property	When the school district uses the property
Personal services by an employee of the school district	When the services are performed
Personal services by a contractor who is not an employee of the school district	On the date the school district makes a binding written commitment to obtain the services
Performance of work other than personal services	On the date the school district makes a binding written commitment to obtain the work
Public utility services	When the school district receives the services
Travel	When the travel is taken

Part B Payment Request Due Dates

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Payment requests must be submitted by
11:59 P.M. on the first day of the month
or payment will not be processed until the next month.

Part B Payment Request Deadlines can be found on the Special Education Finance webpage at: http://dese.mo.gov/divspeced/Finance/documents/sef-paymentschedule.pdf.

Cash Management Improvement Act (CMIA)

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Cash Management Improvement Act (CMIA) requires that funds be spent within three business days of receipt of funds.

Payment requests may only include amounts already expended and/or amounts that will be expended within three business days of receipt of funds.

Violating CMIA requires interest to be calculated and returned.

Consult with Special Education Finance Staff prior to refunding overpayments/interest.

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Special Education Expenditure Coding

INFORMATION FOR YOUR BOOKKEEPER

Expenditure Function Codes

The Function Code describes the function, purpose or program for which activities are performed.

WHY

Sample Function Codes (Prior to 2011-12)

Description	Function Code
Special Education Services	1220
Tuition, Severely Handicapped Program	1930
Contracted Handicapped Transportation	2553
District Operated Handicapped Transportation	2554
ECSE Transportation	2559
All other ECSE Services	1280

Pre-set codes in Missouri Financial Accounting Manual

Function Codes (Beginning 2011-12)

Description	Function Code
Special Education and Related Services	1221
Coordinated Early Intervening Services	1223
Proportionate Share Services	1224
Professional Development	2200
Transportation and Maintenance	2500
Facility Acquisition and Construction	4000
ECSE Transportation	2559
All other ECSE Services	1280

Pre-set codes in Missouri Financial Accounting Manual

http://dese.mo.gov/divadm/finance/acct_manual/documents/sf-CompleteAccountingManual2011.pdf

Expenditure Object Codes

The object code identifies the service or commodity obtained.

WHAT

Sample Object Codes

Description	Object Code
Certificated Salaries	6100
Non-Certificated Salaries	6150
Employee Benefits	6200
Purchased Services	6300
Supplies	6400
Capital Outlay	6500

Tracking Expenditures

Special Education Expenditures tracked for various reporting purposes:

- Annual Secretary of the Board Report (ASBR)
- Part B Payment Requests
- Part B Final Expenditure Report
- State Funds used for Special Education (MOE reporting)
- Local Funds used for Special Education (MOE reporting)
- ECSE Expenditures

Separate Tracking

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All federal funds MUST be tracked separately from other funding sources.

- **EDGAR 74.21(2)**
  - Records that identify adequately the source and application of funds for federally-sponsored activities.
- **EDGAR 75.702**
  - A grantee shall use fiscal control and fund accounting procedures that insure proper disbursement of and accounting for Federal funds.
- **MO Financial Accounting Manual**
  - Federal funds generally require separate identification and reporting within the LEA's audit report.

Expenditure Source

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QUESTION:

How can a District/LEA track State, Federal, and Local expenditures?

ANSWER:

Use Source/Project Codes for each expenditure.

Check with your bookkeeper to see if your district is using these codes.

Source/Project Codes

Optional codes for:

- Tracking expenditure fund sources; or
- Used as a project identifier.

Helpful in tracking expenditures for:

- Special Education Maintenance of Effort (State/Local)
- Special Education IDEA Part B Expenditures (Federal)

Source/Project Codes

Defined in DESE MO Financial Accounting Manual:

- Pre-Set Codes; or
- District/LEA may use own code

Examples:

41 – Federal IDEA Part B Funds

10 – State Special Education Funding

01 – Local Funding Sources

Source/Project Code Examples

Special Education Teacher Example:

Function Code	Object Code	Source of Funds/ Project Code
1221-	6100-	41
(Special Education)-	(Certificated Salaries)-	(Federal)

Special Education Contracted Transportation Example:

Function Code	Object Code	Source of Funds/ Project Code
2550-	6300-	10
(Special Education)-	(Contracted Transportation)-	(State)

Proportionate Share Speech Language Therapist Example:

Function Code	Object Code	Source of Funds/ Project Code
1224-	6100-	41
(Proportionate Share)-	(Certificated Salaries)-	(Federal)

Questions?

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Contact the Special Education Finance Section:

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