



# FINANCIAL AND ADMINISTRATIVE SERVICES

## Special Education and Title I Implementation

November 1, 2016

Missouri Department of Elementary  
and Secondary Education

# COMMUNICATION FROM DESE

- ❑ Administrative Memos

<http://dese.mo.gov/administrative-memos>

- ❑ NCLB – Federal Program Listserv

<http://dese.mo.gov/quality-schools/federal-programs/listserve>

- ❑ IDEA – Special Education ListServ (SELS)

<http://dese.mo.gov/special-education-listserv>



# MONITORING

# ANNUAL RISK ASSESSMENT

- RISK ASSESSMENT
  - All Districts/LEAs are given an annual risk assessment by program separate from the tiered monitoring system.
  - Based on the results of the risk assessment, districts/LEAs are categorized as high, moderate, or low risk and are subject to further monitoring, regardless of Cohort assignment or level of monitoring.
  - This means a high risk district can receive a monitoring visit even if they aren't included in the Cohort On-Site cycle.

# TIERED MONITORING

- Districts/LEAs are sorted into three Cohorts (groups)
- Levels of the Tiered Monitoring Cycle
  - Annual Risk Assessment
  - Desk Audit/Application Review
  - Tier 1: Self-Assessment/Desk Monitoring
  - Tier 2: On-site Monitoring
  - Tier 3: Training and Preparation
- Cohorts will move through the Tier Levels from year to year

# TIERED MONITORING SCHEDULE

TIER LEVEL	2015-16	2016-17	2017-18
Annual Risk Assessment	All Cohorts	All Cohorts	All Cohorts
Desk Audit & Application Review	All Cohorts	All Cohorts	All Cohorts
Tier 1: Self-Assessment/Desk Monitoring	Cohort 2	Cohort 3	Cohort 1
Tier 2: On-site Monitoring	Cohort 1	Cohort 2	Cohort 3
Tier 3: Training & Preparation	Cohort 3	Cohort 1	Cohort 2

# SPECIAL EDUCATION FINANCE TOP MONITORING FINDINGS

<http://dese.mo.gov/financial-admin-services/special-education-finance/fiscal-monitoring>

- Federal, state, and local expenditures not tracked separately in general ledger
- Special Education program expenditures are not coded to special education function codes
- MOE calculation is not accurate
- Obligations made prior to Budget Application submission

# ESEA/NCLB FINANCE

## TOP MONITORING FINDINGS

<http://dese.mo.gov/financial-admin-services/eseanclb-finance/fiscal-monitoring>

- Program expenditures not tracked separately in general ledger
- NCLB program expenditures are not coded to appropriate function codes
- Insufficient documentation to ensure allowable use of funds
- Expenditures applied to incorrect grant cycle
- Time and Effort documentation
- Procurement Policy not followed
- No inventory listing/tracking of equipment

# UNIFORM GRANT GUIDANCE (UGG)

- Required Certification on all payment requests and FERs
- Funds can only be requested on a reimbursement basis
- Identification of Awards
- Travel Justification
- New Written Procedures
  - Cash Management Procedure
  - Allowability Procedure
  - Equipment Management
  - Procurement Procedure
- New Written Policies
  - Travel Policy
  - Standards of Conduct and Conflict of Interest



# ALLOWABLE USE OF FUNDS

# Title I.A

- Provides Supplemental Federal funds to ensure all students have fair, equal, and significant opportunities to obtain a high-quality education and reach, at a minimum, proficiency on challenging state academic achievement standards and assessments.
- Focuses on improving the academic achievement of low-achieving students in schools with high concentrations of children from low-income families.

# Two Types of Title I Programs

## Target Assistance

- Supplemental education services to eligible students with the greatest need

## Schoolwide

- Comprehensive program designed to upgrade the entire educational program in order to improve achievement of the lowest-achieving students
  - A school with poverty percentage of 40% or more

# Targeted and Schoolwide

Targeted Assistance Schools	Schoolwide Program Schools
<ul style="list-style-type: none"><li>• Services must be targeted to specific at-risk students</li><li>• Only eligible students may participate in Title I-funded services</li><li>• Use of funds must be consistent with specific Title I rules</li></ul>	<ul style="list-style-type: none"><li>• All students may participate in Title I-funded initiatives</li><li>• Maximizes flexibility in using Federal funds</li><li>• Serves as a vehicle for whole-school reform with focus on improving achievement of lowest-achieving students</li><li>• Addresses student needs through a schoolwide plan based on a comprehensive needs assessment</li></ul>



# Implementing a Schoolwide Program

There are three basic components of a schoolwide program that are essential to effective implementation:

- Conducting a comprehensive needs assessment of the entire school,
- Preparing a comprehensive schoolwide plan; and
- Annually reviewing the schoolwide plan.

# Use of Funds

## Examples Based on Needs Assessment

- ✓ Increase learning time
- ✓ High-quality preschool
- ✓ Evidence-based strategies to accelerate the acquisition of content knowledge for English Learners
- ✓ Equipment, materials, and training needed to compile and analyze data to monitor progress, alert the school to struggling students, and drive decision making.
- ✓ Devices and software for students to access digital learning materials and collaborate with peers, and related training for educators.
- ✓ School climate interventions

# SUPPLEMENT, NOT SUPPLANT

## **Title I**

An LEA shall use Title I funds only to supplement the funds that would, in the absence of such Federal funds, be made available from State and local sources for the education of students participating in programs assisted under Title I, and not to supplant such funds.



# **SPEL ALLOWABLE USE OF FUNDS**

# ALLOWABLE USE OF FUNDS

- DIRECT Special Education and Related Services
  - Salaries and Benefits
  - Contracted Services
  - Supplies & Equipment
  - Facilities/Construction
- To determine allowability, ask:
  - Is the expenditure required to implement an IEP? - or-
  - Is the expenditure required to run the special education program? -and-
  - Is there adequate documentation to justify and track the use of the item/service by the special education program?

# UNALLOWABLE USE OF FUNDS

## UNALLOWABLE USE OF FUNDS

Entertainment	Local Tax Effort/Billbacks
Promotional Items (pens, bags, t-shirts, etc.)	Income Generating Activities (i.e. bake sale)
Legal Fees Related to Child Complaint	Un-prorated Principal/Administrative Salaries
Due Process	Alcoholic Beverages
Recreational Field Trips	Petty Cash
Classroom Parties	Fines and Penalties and Tickets
General Education Expenditures	Lobbying
Medicaid Billing Fees	Patents
District-wide Training (unless it is geared specifically towards special education)	Materials & Supplies Deemed Unnecessary for Sped Program Requirements

# SPECIAL EDUCATION FUNCTION CODES

- The function code identifies the program or purpose.

SPECIAL EDUCATION FUNCTION CODE DESCRIPTION	FUNCTION CODE
Special Education and Related Services	1221
Coordinated Early Intervening Services	1223
Proportionate Share Services	1224
Tuition for Special Education Services to Other Districts Within the State	1931
Tuition for Special Education Services to Other Districts Outside of the State	1932
Tuition for Special Education Services to Private Agencies	1933
Contracted Transportation Services for Students with Disabilities	2553
District Operated Transportation Services for Students with Disabilities	2554
Proportionate Share Transportation Cost	2557
ECSE Transportation Services	2559
All other ECSE Services	1281

# PROJECT/SOURCE CODES

- The project/source codes identifies the funding source
- Funding sources include federal funds, state funds, and local funds
- Must have a project/source code attached to every single special education program expenditure
- Do not use “blank” or “00” to identify funds

# PROJECT/SOURCE CODE EXAMPLES

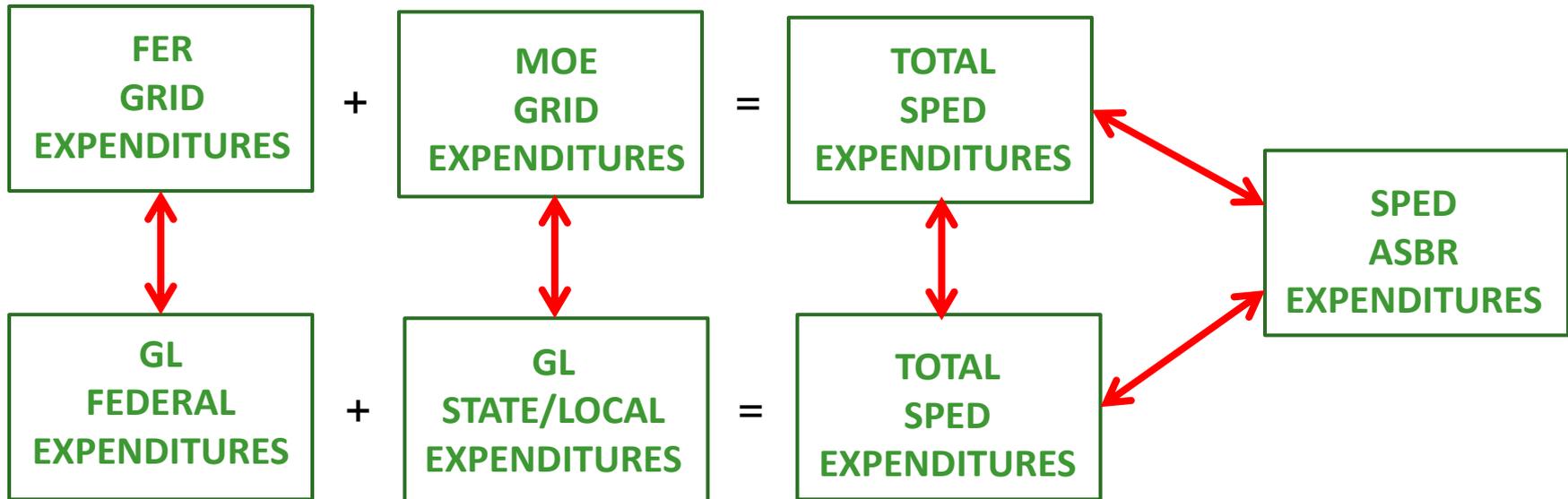
FEDERAL REVENUE SOURCES	REVENUE CODE	PROJECT/ SOURCE
IDEA PART B FEDERAL	5441	41
ECSE FEDERAL (611 and 619)	5442	42
HNF FEDERAL	5437	37

STATE REVENUE SOURCES	REVENUE CODE	PROJECT/ SOURCE
BASIC STATE AID	5311	03
ECSE STATE	5314	03
TRANSPORTATION STATE AID	5312	03

LOCAL REVENUE SOURCES	REVENUE CODE	PROJECT/ SOURCE
PROPOSITION C	5113	01
CITY SALES TAX	5117	01
COUNTY UTILITY TAX	5221	01

# COMPARING EXPENDITURES

FER = GENERAL LEDGER = ASBR



# MAINTENANCE OF EFFORT

- Maintenance of Effort (MOE) is the amount of state and local funds a district/LEA spends on the special education program
- MOE has to be maintained at the same amount from year to year
- Two standards/tests:
  - ELIGIBILITY REQUIREMENT
  - COMPLIANCE REQUIREMENT



# MAINTENANCE OF EFFORT

The amount of state and/or local funds spent on special education.

<b>ELIGIBILITY STANDARD</b>	<b>COMPLIANCE STANDARD</b>
<b>BUDGET APPLICATION</b>	<b>FINAL EXPENDITURE REPORT</b>
Budget the same amount or more from state and/or local funds as expended from the most recent year in which data is available in order to receive grant. This shows the INTENT to maintain effort.	Expend the same amount or more from state and/or local funds as expended in the year compliance was last met in order not to have pay penalty. This shows effort was maintained.



# MOE TESTS

Districts/LEAs can meet MOE for eligibility and compliance standards by one of the following methods:

- Total State and Local Expenditures Combined
- Per Child State and Local Expenditures Combined
- Total Local Expenditures Only
- Per Child Local Expenditures Only

Must meet only one of the methods/tests



# ALLOWABLE MOE EXCEPTIONS

- Voluntary Departure of Special Education Staff  
Retirement: \$50,000, Replacement: \$35,000, Exception = \$15,000
- Decrease in Enrollment of Children with Disabilities  
2 students moved, 1 graduated, reduce SLP from 1.0→.80 FTE, Exception = \$10,000
- Termination of a Costly Obligation for a Specific Child  
Student Graduated that required Tuition & Transp. = \$45,000, Exception = \$45,000
- Termination of a Costly Long-Term Purchase  
Sped bus payoff = \$95,000, Exception = \$95,000
- Assumption of the Cost by the High Need Fund  
Received \$6,000 in HNF federal revenue, Exception \$6,000

**\*These are the ONLY allowable exceptions to MOE.**

**\*Expenditures MUST have been paid with state or local revenue.**



# MOE PLANNING

At the beginning of each year:

- Determine who is eligible for retirement and review how those individuals are paid. Switch funding to ensure paid with state and/or local funds so an exception can be taken to reduce MOE.
- Determine which students will graduate at year end and services they are receiving. Switch funding to ensure paid with state and/or local funds so an exception can be taken to reduce MOE.
- Determine any business closings in the area that may impact local tax revenue (i.e. plants or factories).



# MOE PLANNING

Throughout the school year:

- The special education director or another individual familiar with MOE requirements should be involved in approval of all special education expenditures since the expenditures could impact the district/LEA's MOE.
- Keep in mind and consider situations that may impact MOE, whether from negative or positive standpoint.



# MOE CONSIDERATIONS

## Impacts to MOE:

- Federal Part B carryover can negatively impact MOE
- Federal Medicaid revenue put back into the special education program can negatively impact MOE
- Fluctuations in ECSE federal revenue.
- Making double payments in the same year for subscriptions and fees (i.e. paying a June 2016 invoice in July 2016 (FY17) and paying the June 2017 invoice (FY17))
- Unnecessarily inflating MOE by charging items to special education program that aren't program specific (i.e. prorated regular transportation, administration salaries, etc.)





# RESOURCES

# WEB PAGES

- **ESEA/NCLB Finance**

- News and Updates
- 9/30 Report Instruction
- Allocations
- Census Data
- Fiscal Monitoring
- General Federal Guidance
- NCLB Fiscal Requirements
- Payment Requests and FERs
- Small Rural School Achievement

## Quick Links

- **Administrative Manual** 
- **Federal Programs**
- **Federal Programs Listserv**
- **NCLB Legislation and Guidance**
- **NCLB Consolidated Calendar** 
- **Federal Grants Management Workshops "OMNI"**
- **Nonpublic**

**ESEA/NCLB FINANCE WEBPAGE:**

<http://dese.mo.gov/financial-admin-services/eseanclb-finance>

# WEB PAGES

## Special Education Finance:

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

### Special Education Finance

- **News and Updates**
- **Cooperatives**
- **Early Childhood Special Ed.**
- **Fiscal Monitoring**
- **Local Tax Effort**
- **Other Available Funding**
- **Part B Entitlement**
- **SELs Messages**
- **Presentations**

# RESOURCES

- ❑ General Federal Guidance

<http://dese.mo.gov/financial-admin-services/general-federal-guidance>

- ❑ DESE Accounting Manual (School Finance)

<http://dese.mo.gov/financial-admin-services/school-finance/accounting-manual>

- ❑ Individuals with Disabilities Education Act (IDEA) Regulations

<http://www2.ed.gov/legislation/FedRegister/finrule/2006-3/081406a.pdf>

- ❑ MO State Plan for Special Education

<http://dese.mo.gov/governmental-affairs/dese-administrative-rules/incorporated-reference-materials/IDEAPartB-2014>

- ❑ NCLB Consolidated Federal Programs Administrative Manual

<http://dese.mo.gov/divimprove/fedprog/documents/qs-fc-admin-manual-June-2012.pdf>

PAT KAISER  
COORDINATOR  
ESEA/NCLB FINANCE

pat.kaiser@dese.mo.gov  
573-751-8643

SHELLEY WOODS  
COORDINATOR  
SPECIAL EDUCATION FINANCE

shelley.woods@dese.mo.gov  
573-751-3561