



**DIVISION OF FINANCIAL AND ADMINISTRATIVE SERVICES
SPECIAL EDUCATION FINANCE**

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**SIGNIFICANTLY EXPANDING CHARTER SCHOOL SPECIAL EDUCATION FUNDING
Calculation of IDEA Section 611 and 619 (Part B) Federal Allocations**

The purpose of this document is to advise charter schools and charter sponsors of the requirements and procedures related to special education funding for significantly expanding charter schools. A significant expansion is defined as a substantial increase in the number of students attending a charter school due to a significant event that is unlikely to occur on a regular basis, such as the addition of one or more grades or educational programs in major curriculum areas. The term also includes any other expansion of enrollment that the State Education Agency (SEA) determines to be significant (EDGAR § 76.787). For the purpose of IDEA Section 611 allocations, the Missouri Department of Elementary and Secondary Education (DESE) defines a significant expansion of enrollment as a significant event causing an increase of 20% or more in the total population of the Local Education Agency (LEA) from the prior year PK-12 September enrollment to the current year PK-12 September enrollment. For the purpose of IDEA Section 619 allocations, the DESE defines a significant expansion of enrollment as a significant event causing an increase of 20% or more in the 3 to 5 year-old population of the LEA from the prior year PK and K September enrollment to the current year PK and K September enrollment.

NOTIFICATION OF EXPANSION

A significant expansion planned for the upcoming school year must be submitted in writing by the charter's sponsor (Section 160.405.6, RSMo 2011) on sponsor letterhead to the DESE by **March 15**. The letter should be sent via email to the Charter Schools Operations Assistant, Office of Quality Schools, DESE. In addition, estimated data regarding the significantly expanding charter must be submitted in Core Data in the February cycle on screen 37, New and Expanding Charter School Data, by **March 15**. The estimated data will be used by Special Education Finance to identify LEAs possible of meeting the definition of significant expansion for IDEA allocation purposes.

The March 15 notification deadline has been set by the DESE to allow the 120 days' notice time before the start of the school year in which the charter school is scheduled to significantly expand, for those schools planning to expand at the beginning of the school year (EDGAR §76.788(a)). Charters that are expanding after November 1 but before February 1 of the school year must still provide the DESE notification at least 120 days before the expansion date of the charter school in order to receive a prorated amount of IDEA Part B Federal funding based on the number of months or days they will participate in the program as compared to the total number of months or days in the school year (EDGAR § 76.792(b)). Charter schools that expand after February 1 of the school year will not receive additional IDEA Part B Federal funding until the next fiscal year (EDGAR 76.792(c)).

PROCEDURES AND TIMELINE FOR CALCULATING IDEA PART B ALLOCATIONS

Estimated IDEA Part B Federal allocations for significantly expanding charter schools are calculated by the beginning of the fiscal year using prior year data submitted in MOSIS. The significantly expanding charter is

required to complete a Special Education Part B initial budget application by July 1 to budget the estimated funds for special education and related services for students with disabilities. Once actual current year data is submitted in MOSIS, Special Education Finance calculates a final allocation. The significantly expanding charter must complete a budget revision to budget the final IDEA Part B allocation amount. The timeline is outlined below.

- March 15: Charter school sponsor sends letter to notify DESE Office of Quality Schools of significant expansion of the charter and required data is submitted in the February cycle of MOSIS on screen 37, New and Expanding Charter School Data.
- May/June: Using prior year MOSIS data, Special Education Finance calculates estimated IDEA Part B Federal allocations to significantly expanding charters.
- July 1: The charter school submits an initial Special Education Part B budget application in ePeGS to obligate the estimated IDEA Part B Federal allocation amount.
- Dec/January: Current year actual September Enrollment, Free/Reduced Lunch count, and December 1 child count data in MOSIS are compared to prior year data to determine if the charter school meet the definition of significantly expanding for the purpose of IDEA allocations. If the definition is met, the current year data is used to calculate final IDEA Part B Federal allocations for significantly expanding charters within five months of the expansion date. Prior year Community Eligibility Provision (CEP) count data for participating buildings is also used in the final allocation calculation, as applicable.
- January: Special Education Finance sends letters via email to all affected Local Education Agencies (LEAs) to notify them of final allocation amounts after reallocation for significantly expanding charters. The charter is required to submit a Special Education Part B budget application revision to obligate the final IDEA Part B Federal allocation amount.

SPECIAL EDUCATION FEDERAL FUNDING IDEA PART B CALCULATION

Allocations are calculated using the sum of these three amounts:

- **Base Amount**—A proportionate share of base amount funding is reallocated to the significantly expanding charter school from the LEA(s) that would have been responsible for serving the students with disabilities in the absence of the expanding charter school based on the relative numbers of children with disabilities currently provided special education by the affected LEAs.
- **Population**—September Enrollment (last Wednesday in September head count of all resident and nonresident students in grades PK through 12 enrolled in the attendance center reported on Core Data screen 16). This is referred to in Core Data as the “October” cycle.
 - **Population Formula:** LEA September Enrollment multiplied by the current year Part B statewide “Increase for Population Rate” = LEA Population Amount.

- **Poverty**—Free/Reduced Lunch count of students in grades PK-12 enrolled in the attendance center. CEP count provided to Food and Nutrition Services in the Division of Financial and Administrative Services in April is also used for participating buildings.
 - **Poverty Formula:** LEA Free/Reduced Lunch count and/or CEP count multiplied by the current school year Part B statewide “Increase for Poverty Rate” = LEA Poverty Amount.

ELIGIBILITY REQUIREMENTS FOR IDEA PART B FUNDS

- **Assurances**—LEAs providing services to students with disabilities must submit annual assurances to the DESE regarding their compliance with the applicable Federal and State statutes and regulations. This is done through the Part B Budget Application in ePeGS.
- **Excess Cost Requirement**—LEAs must spend the same amount of local and State funds on special education students as it does on regular education students before accessing IDEA Part B Federal funds. The DESE computes the Excess Cost calculation each year and notifies the LEA if it has not met this requirement.
- **Maintenance of Effort/Non-Supplant**—Maintenance of Effort (MOE) is the amount of local, or State and local funds LEAs must spend in support of special education. There are two components to MOE, the eligibility standard and the compliance standard. The eligibility standard indicates LEAs must budget at least the same amount or more for special education as they spent for the most recent fiscal year for which information is available, unless allowable exceptions or adjustments apply, in order to be eligible for the next fiscal year grant award. The compliance standard indicates LEAs must not reduce the level of expenditures for special education below the level of expenditures from the previous fiscal year unless allowable exceptions or adjustments apply. The charter school’s first year of operation, or the amount established in 2010-11, whichever is later, becomes the base year for Maintenance of Effort.
 - Exceptions to Maintenance of Effort (MOE):
 - Voluntary Departure of Special Education Staff
 - Decrease in Enrollment of Children with Disabilities
 - Termination of a Costly Obligation for a Specific Child
 - Termination of a Costly Long-Term Purchase
 - Assumption of the Cost by the High Need Fund
 - Adjustment to MOE:
 - LEAs may reduce their MOE threshold by taking advantage of an adjustment. IDEA allows the LEA to reduce their MOE by 50% of the increase in total allocations from the prior to current year Part B allocation.

PERMISSIVE USE OF IDEA PART B FUNDS

- Costs of Special Education and Related Services.
- Supplementary Aids and Services (aids, services, and other supports that are provided in regular education classes, other education-related settings, and in extracurricular and nonacademic settings, to enable children with disabilities to be educated with nondisabled children to the maximum extent appropriate in accordance with IDEA regulations §§ 300.114 through 300.116).
- Administrative Case Management (appropriate technology for recordkeeping, data collection, and related case management activities of teachers and related services personnel providing services

described in the IEP of children with disabilities, that is needed for the implementation of those case management activities).

- Coordinated Early Intervening Services (CEIS): LEAs may use up to 15% of their Part B Allocation for Kindergarten - Grade 12 students not yet identified as needing special education services but need additional academic and behavioral supports to succeed in the general education environment.
- Special Education buses (prior Department Approval).
- Construction/Renovation of Special Education facilities (prior Department approval).

SPECIAL EDUCATION FINANCE CHARTER SCHOOLS CONTACTS

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ADDITIONAL INFORMATION

Part B Federal Expenditure Requirements Resources are available in the Special Education Fiscal Monitoring Guide at <http://dese.mo.gov/financial-admin-services/special-education-finance/fiscal-monitoring>.

A step by step guide for accessing the IDEA Part B Funds through ePeGS is available under ePeGS Training Guide Series at <http://dese.mo.gov/financial-admin-services/special-education-finance/part-b-funding-and-allocations>.