

EARLY CHILDHOOD SPECIAL EDUCATION FEDERAL FUNDING FAQ

EARLY CHILDHOOD SPECIAL EDUCATION (ECSE) FEDERAL ALLOCATIONS

Will all LEAs receive an ECSE 611 and ECSE 619 allocation?

All LEAs with a Kindergarten program will receive an ECSE 619 Federal allocation amount. ECSE 619 funds are Federal IDEA Part B Section 619 funds that must be used to provide special education and related services to 3-5 year old students with disabilities. This may include 5 year olds with disabilities in Kindergarten.

Not every LEA will receive an ECSE 611 Federal allocation. While all LEAs will receive Federal IDEA Part B Section 611 funds, only those LEAs with a prior year ECSE IEP child count will have a percentage of Federal IDEA Part B Section 611 funds set aside for ECSE 611 funding. Federal IDEA Part B Section 611 funds are funds that must be used to provide special education and related services to 3-21 year old students with disabilities.

ECSE 611 and ECSE 619 allocations may be found at <https://dese.mo.gov/financial-admin-services/special-education-finance/part-b-funding-and-allocations>.

What child count is used to calculate the ECSE 611 and 619 allocation amounts?

The IDEA Part B Section 611 allocation is calculated by formula based on prior year population and poverty data and the December 1, 1998 child count, or the December 1 child count of the first year a child count existed for the LEA. Once the total IDEA Part B Section 611 allocation is calculated, DESE determines a percentage of the total IDEA Part B Section 611 allocation amount to set aside for ECSE 611. This percentage is calculated based on prior year ECSE IEP child count. The ECSE 619 allocation is calculated by formula based on prior year population and poverty data and the December 1, 1997 child count, or the December 1 child count of the first year a child count existed for the LEA.

Before this change, had Federal funds for ECSE under 611 and 619 always been calculated on the December 1 child count?

Before the change of allocating ECSE Federal funds by formula, the amount of ECSE Federal reimbursement was (very generally) dependent on the amount of allowable prior year ECSE costs and the amount of state reimbursement received for the ECSE program.

What if I had an ECSE program last year and don't have a program in the current year?

If the LEA incurred ECSE expenditures last year, the LEA should submit an ECSE FER to claim reimbursement for those costs. Allocated ECSE 619 funds can be used for special education and related services for 5 year olds with disabilities in Kindergarten, child find costs, and professional development for staff serving 5 year olds with disabilities in Kindergarten. Allocated ECSE 611 funds can be spent on special education and related services for K-12

students with disabilities, as these funds can be spent on serving students with disabilities aged 3-21. The ECSE state funds that will be received based on the LEA's prior year ECSE allowable costs may be spent on any LEA costs, as these are state funds and do not have to be spent on ECSE expenditures.

What happens if I don't request the entire ECSE 611 and/or ECSE 619 allocation amount?

Budgeted ECSE 611 funds may be spent on special education and related services for K-12 students with disabilities, as these funds can be spent on providing special education and related services to students with disabilities aged 3-21. Any ECSE 611 funds not expended in the first year in which they were allocated will carry over to the next fiscal year as Part B 611 carryover funds.

If the LEA does not wish to budget some or all of the ECSE 619 allocation, the LEA may forfeit any portion of the ECSE 619 allocation on the Part B Budget Application. DESE may determine that the forfeited ECSE 619 funds are not needed by the LEA to provide FAPE to students with disabilities aged 3-5 and reallocate those funds to another LEA that is not adequately providing special education and related services to all students with disabilities aged 3-5. If the LEA does not forfeit the ECSE 619 funds but does not spend the entire amount budgeted in the first year in which they were allocated, the unspent amount will carry over to the next fiscal year as ECSE 619 carryover funds.

Is there a deadline for forfeiting ECSE 619 funds?

Yes. ECSE 619 funds must be forfeited by January 31 each year. Any ECSE 619 funds not forfeited or spent will carry over to the next year as ECSE 619 carryover funds.

Will there be a reallocation process?

Yes. After the Part B Budget Application is submitted, If DESE determines that the LEA is adequately providing FAPE to all children with disabilities aged three through five years residing in the area served by the LEA with State and local funds, the LEA may forfeit any portion of allocated and/or carryover IDEA Part B Section 619 funds on budget applications until January 31. Forfeited IDEA Part B Section 619 funds that are not needed by the LEA to provide FAPE will be reallocated to other LEAs in the State that are not adequately providing special education and related services to all children with disabilities aged three through five years residing in the areas served by those other LEAs, according to CFR 34 §300.817. Affected LEAs will be required to complete budget application revisions.

DESE will not reallocate ECSE 611 funds as these funds may be spent for special education and related services in the LEA's K-12 program if they are not needed for ECSE expenditures.

REIMBURSEMENT PROCESS/PAYMENT

Will all ECSE FER expenses be paid with state funds? If we are requesting ECSE 611 and/or ECSE 619 Federal funds for current year expenses, how does that affect the reimbursement for prior year expenses?

ECSE allowable costs are reimbursed with state and Federal funds. The amount of state reimbursement is based on the amount of prior year ECSE allowable expenditures and the amount of current year allocated ECSE 611 and ECSE 619 funds. When the ECSE FER is submitted DESE will subtract the ECSE 611 and ECSE 619 allocated amounts off of the total allowable ECSE FER reimbursement amount. The remaining ECSE FER reimbursement amount will be paid through monthly state payments. The LEA will not request these state payments, but will receive them in each monthly school payment after the ECSE FER is approved. Federal ECSE 611 and 619 funds are requested through the ePeGs Part B Special Education payment request throughout the year as needed.

Example:

Prior Year ECSE Allowable Expenditures =	\$120,000
Current Year ECSE 611 allocation =	- \$30,000
Current Year ECSE 619 allocation =	- \$15,000
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ECSE State Reimbursement Amount =	\$75,000

Am I losing any ECSE reimbursement?

No. Allowable ECSE expenditures will be reimbursed with Federal ECSE 611, Federal ECSE 619, and/or ECSE state revenue.

How can I tell the difference between ECSE and Part B payments on my payment transmittal?

ECSE reimbursement will be identified on payment transmittals as ECSE - State (revenue code 5314), IDEA – 611 ECSE (revenue code 5442), and IDEA - 619 ECSE (revenue code 5442). IDEA Part B Entitlement revenue for K-12 special education expenditures will be identified on payment transmittals as IDEA Entitlement Funds, Part B IDEA (revenue code 5441).

Can I submit a 611 or 619 payment request prior to my ECSE FER submission?

Yes. ECSE 611 and 619 funds may be requested through ePeGs Part B Special Education payment requests once the Part B Special Education Budget Application for that year is approved. It is not necessary to wait until the ECSE FER is submitted to begin requesting ECSE 611 and 619 reimbursement through payment requests.

CODING ECSE EXPENDITURES

Should ECSE expenditures still be coded to ECSE (1281/2559) function codes beginning in FY19?

The function code is no longer used to track ECSE expenditures. The project code will be used to track ECSE expenditures, so the LEA may utilize non-ECSE function codes for ECSE expenditures if the code is an appropriate place for ECSE funds to be spent.

Where can LEAs find a quick reference to frequently used function codes for ECSE program expenditures?

A list of frequently used ECSE function codes may be found at:

<https://dese.mo.gov/sites/default/files/sef-CodingGuidance.pdf>.

Does every ECSE expenditure need to have a project code?

Yes. The project code field may not be left blank or reported as a zero. Current year ECSE expenditures paid with ECSE 611 Federal revenue must be tracked with source code 4, project code 44200. Current year ECSE expenditures paid with ECSE 619 Federal revenue must be tracked with source code 4, project code 44201. ECSE expenditures paid with local, county, or state revenue must be tracked with source codes 1, 2, or 3, respectively, and project code 12810. Special education project codes may be located at:

<https://dese.mo.gov/sites/default/files/sefCodingGuidance.pdf>.

How does the LEA determine if a special education expenditure is for K-12 or ECSE in the general ledger?

The project code used will indicate if the special education cost is a K-12 or an ECSE expenditure.

Will I have to break out separate line items for 611 and 619 in my general ledger to show which ECSE Federal funds were used to pay the expenditure?

Yes. ECSE expenditures paid with IDEA Part B 611 and 619 funds must be coded separately in the general ledger with a separate project code (44200 and 44201, respectively).

How are non-allowable/non-reimbursable ECSE costs coded?

ECSE costs paid with non-Federal funds that are not reimbursable through ECSE funding must be coded with project code 12210. This will allow the cost to be included in Maintenance of Effort (MOE), but will keep the cost from pulling onto the ECSE FER.

Does every ECSE expenditure need to have a source code?

Yes. The source code field may not be left blank or reported as a zero. LEAs must indicate if local (1), county (2), state (3), or Federal (4) funds were used to pay for the expenditure.

What building location code is used to report ECSE costs?

Report the costs to the location code of the building(s) where services are provided.

What location code should be used to report ECSE Extended School Year (ESY) services?

ECSE ESY should be coded to the location code where the services are provided.

Are there project codes that may be used to track different grant years within the same general ledger?

Yes. Two project codes have been added for 2019-20 reporting and beyond to help identify prior year obligations paid in the current year. These codes should be utilized when an expenditure will be paid with prior year grant funds but the expenditure will be recorded in the current year general ledger. The codes for these situations are:

44299 - IDEA 611 ECSE Prior Year

This project code should be utilized to identify prior year ECSE 611 grant funds used for ECSE expenditures posted in a current year general ledger.

44298 - IDEA 619 ECSE Prior Year

This code should be utilized to identify prior year ECSE 619 grant funds used for ECSE expenditures posted in a current year general ledger.

KINDERGARTEN EXPENDITURES

If Kindergarten students are receiving services paid through ECSE Federal 611 or 619 reimbursement, are those expenditures reported on the ECSE FER the following year?

No. Costs incurred for serving special education Kindergarten students will not be reported in the ECSE FER. Those expenditures will be reported in the Part B FER under the appropriate function/object/project code.

If the same function codes are used for K-12 special education and ECSE costs, how are the costs differentiated between K-12 and ECSE?

If Federal funds are used to pay for the cost, the project codes used will show if the special education cost is a K-12 (44100) special education or ECSE (44200 (ECSE 611); 44201 (ECSE 619)) cost. If State/local/county funds are used to pay for the cost, the project codes used will show if the special education cost is a K-12 (12210) special education or ECSE (12810) cost.

How will ECSE Federal funds be reimbursed for serving 5 year olds in Kindergarten, if they are not reported on the ECSE FER?

If ECSE 611 or 619 Federal funds are used for serving 5 year olds with disabilities in Kindergarten, that amount will be requested through ePeGs Part B payment requests and reimbursed in the next school payment.

How does the LEA identify if ECSE 611 and/or ECSE 619 funds are used for Kindergarten special education expenditures?

Two codes have been added for 2019-20 reporting and beyond to help identify when ECSE funds are expended outside of the ECSE program. Using these codes will ensure expenditures for K-12 are not pulled into the ECSE Final Expenditure Report (FER). The codes for these situations are:

44203 - IDEA 611 ECSE (utilized on K-12 students)

This project code should be utilized to identify ECSE 611 funds used for K-12 special education expenditures to prevent these expenditures from being reported on the ECSE FER. ECSE 611 funds may be spent on students with disabilities in grades K-12 when the LEA does not have an ECSE program. Because ECSE 611/Federal IDEA Part B Section 611 funds are funds that are used to provide special education and related services to 3-21 year old students with disabilities, it is not necessary to prorate the cost of the expenditure between 5 and 6 year olds with disabilities in the Kindergarten classroom.

44204 - IDEA 619 ECSE (utilized on K students)

This project code should be utilized to identify ECSE 619 funds used for 5 year olds in kindergarten to prevent these expenditures from being reported on the ECSE FER. ECSE 619 funds may be spent on students with disabilities who are 5 years old and in kindergarten. If the LEA uses ECSE 619 funds for these costs, the LEA must keep appropriate supporting documentation on file to tie the cost to 5 year olds with disabilities in Kindergarten (IEP required service/support/item) or prorate the cost if the expenditure is for 5 and 6 year olds with disabilities in the Kindergarten classroom.

State/local/or county funds used to provide special education and related services for Kindergarten students with disabilities who are 5 years old must be tracked with project code 12210.

ePeGS REPORTING

Will ePeGs have changes related to the new code structure?

Yes, more function codes will be added to all grids. In addition, the FERs will automatically pull expenditure data into the grids based on the expenditures reported by project codes in the ASBR. Therefore, it is important that LEAs code K-12 special education and ECSE expenditures with the assigned special education project codes.

Is the Part B budget application due by July 1 for substantial approval?

Yes, the Part B budget application is due July 1 each year. ECSE 611 and ECSE 619 funds will be budgeted in the Part B budget grid based on the object code.

When is the FER deadline for ECSE?

The ECSE FER to report prior year ECSE costs will be due October 15 each year.

ECSE PERSONNEL

If we use the ECSE 611 and 619 Federal funds for salary and benefits, do we identify ECSE staff and complete Semi Annual Certification forms for those employees?

Yes, any time Federal funds are used to pay even a portion of an employee's salary/benefits and that employee works 100% on special education (ECSE-12th grade), a semi-annual certification form must be completed for the employee.

Do I need to pay out my teachers salary/benefits prior to July 1st to be in the acceptable period?

No, as long as the funds are obligated by June 30 (which means the teachers performed the services/instruction by June 30) salary/benefits amounts do not have to be paid out prior to July 1. However, if salary/benefit payments are made past June 30, 2019, the LEA will need to ensure those payments are made with the 2018-19 grant funds and must track the expenditure separately to identify the cost as a 2018-19 cost in the 2019-20 general ledger. Expenditures paid with prior year grant funds must be tracked separately in the current year general ledger with project codes 44299 (IDEA 611 ECSE Prior Year) and 44298 (IDEA 619 ECSE Prior Year).

If there are no 2018-19 Federal funds remaining past June 30, 2019 to pay 2018-19 teacher/salary costs, the LEA must use state/local/county funds to pay the teacher salary/benefit amount. Federal 2019-20 grant funds cannot be used to pay 2018-19 teacher salaries/benefits.

What if any implications will this have on Medicaid claiming for direct and indirect services and ECSE personnel?

This process will not change anything regarding Medicaid Claiming. Just as in the past, the LEA must ensure ECSE staff paid with Federal funds are not included on the Medicaid Expenditure Report and/or roster, or that the Federally paid portion of their salary is backed out. As far as indirect, the calculation at DESE will change to not include any expenditures with a project code of 44100, 44200, or 44201 in the indirect calculation.

If we are serving multiple districts, should they be sending us their ECSE 611 and/or ECSE 619 funds?

No, the other districts sending students to an LEA for ECSE services should not send the serving LEA their ECSE Federal funds. The serving LEA will be reimbursed for incurred allowable ECSE expenditures.

Can you direct me to a list of allowable purposes for ECSE 611 and ECSE 619 Federal funds used outside of the ECSE program?

ECSE 619 funds are Federal IDEA Part B Section 619 funds that must be used to provide special education and related services to 3-5 year old students with disabilities. This may include 5 year olds with disabilities in Kindergarten.

ECSE 611 funds are Federal IDEA Part B Section 611 funds that must be used to provide special education and related services to 3-21 year old students with disabilities.

LEAs should ask the following questions to determine if an expenditure should be coded as a special education cost:

- Is the expenditure required to implement an IEP?
If yes, include as special education cost.
- Is the expenditure required to run the special education program?
If yes, include as special education cost.
- Is there adequate documentation to justify and track the use of the item/service by the special education program?
If yes, include as special education cost.
- Would the cost exist in the absence of the special education program?
If yes, DO NOT include as special education cost. If the LEA would have the cost regardless of whether or not special education students were served by the LEA, then the cost should NOT be coded as a special education cost.