

# Proportionate Share Expenditures

## FAQ

**Q.** What is Proportionate Share?

**A.** Proportionate share is the amount of IDEA Part B Section 611 Federal funds the district must set aside to provide special education services to parentally placed private, parochial, and home school children with disabilities ages 5-21 who have been evaluated and determined eligible for special education services. Kindergarten eligible children aged 5 placed by their parents in a private preschool or daycare do not qualify for proportionate share services.

**Q.** What district is responsible for locating, identifying, and evaluating private, parochial and home schooled children between the ages 5-21 with disabilities?

**A.** The district where the private/parochial/home school is located is responsible for locating, identifying, and evaluating parentally placed private, parochial and home school children between the ages 5-21 with disabilities.

**Q.** Do identified children have Individualized Education Programs (IEPs)?

**A.** No, parentally placed private, parochial and home children have Service Plans. No parentally placed private school child with a disability has an individual right to receive some or all of the special education and related services that the child would receive if enrolled in a public school. Decisions about services to parentally placed private school children with disabilities must be made in accordance with the consultation process.

**Q.** How is the proportionate share obligation calculated?

**A.** The proportionate share current year obligation is calculated based on the following prior year data:

***Private school and home schooled children eligible and served ages 5-21 as of December 1 -***

This includes parentally placed private/parochial/home school children with disabilities ages 5-21 found **eligible and served** by the public school as of December 1 in the prior school year. This data is reported in MOSIS/Core Data Screen 11 (December 1 Child Count) using the educational environment of "2100-Parentally Placed Private".

***Private school children eligible but not served ages 5-21 as of December 1 -*** This includes parentally placed private/parochial school children with disabilities ages 5-21 **eligible but not served** by the public school as of December 1 in the prior school year.

Home schooled children eligible but not served ages 5-21 as of December 1 - This includes parentally placed home schooled children with disabilities ages 5-21 **eligible but not served** by the public school as of December 1 in the prior school year.

Public school children eligible and served ages 5-21 as of December 1 – This includes children with disabilities ages 5-21 enrolled in the public school **eligible and served** by the public school as of December 1 in the prior school year.

Public school children eligible but not served ages 5-21 as of December 1 - This includes children with disabilities ages 5-21 enrolled in the public school **eligible but not served** by the public school as of December 1 in the prior school year.

IDEA Part B 611 Allocation – The total amount of the Federal IDEA Part B Section 611 allocation the district will receive in the current school year.

**Calculation:**

Step 1: Determine Percentage of Proportionate Share Private School Children

*Eligible (Served and Not Served) Private School Children / Total Eligible Public and Private School Children*

Step 2: Use Percentage of Proportionate Share Private School Children to Calculate Amount of IDEA Part B 611 Allocation to Set Aside for Proportionate Share Costs

*Percentage of Proportionate Share Private School Children \* IDEA Part B 611 Allocation = Proportionate Share Amount*

**Example of the Calculation:**

*Eligible (Served and Not Served) Private School Children = 20*

*Total Eligible Public and Private School Children = 320*

*IDEA Part B 611 allocation = \$152,500*

Step 1:  $20 / 320 = 6.25\%$

Step 2:  $152,500 * 6.25\% = \$9,531.25$

**Q.** How will the district know if it has a proportionate share obligation?

**A.** Each Spring, the Special Education Finance section calculates an estimated proportionate share current year amount for all districts. The estimated proportionate share amount can be found on the [Part B Funding and Allocations](#) webpage as well as the initial Part B budget application in ePeGs. However, in order for districts to calculate a more accurate proportionate share obligation amount prior to the beginning of a new school year, districts may use the [Proportionate Share Calculation Worksheet](#).

**Q.** When must the district budget the proportionate share obligation?

**A.** The proportionate share obligation amount for current year services must be budgeted under function code 1224 for services and/or function code 2557 for transportation on the initial Part B budget application, due July 1. Districts may either budget the estimated proportionate share current year obligation amount calculated by DESE or may choose to budget the actual proportionate share current year obligation amount by calculated by the district on the Proportionate Share Calculation Worksheet. However, if the proportionate share amount calculated by the district is less than the estimated amount calculated by DESE, the district will need to contact DESE as the district will need to budget at least the estimated proportionate share current year obligation amount on the initial Part B budget application. Once the prior year FER is approved the district will need to create a current year budget revision to budget the final proportionate share amount, if more than the amount budgeted on the initial budget application. Budget revisions are due April 30.

**Q.** What if the district does not have a proportionate share obligation for the current year?

**A.** If the district does not have a proportionate share obligation or carryover funds and a new child is found eligible during the year, the district is not obligated to spend funds to provide services to this child. However, if the district has found the student eligible and chooses to serve the student that year by December 1, the district will report the new child in MOSIS/Core Data Screen 11 (December 1 Child Count) using the educational environment of "2100-Parentally Placed Private". If the district has found the student eligible by December 1 but does not choose to serve the student that year, the district will enter the count in the "eligible but not served" row on the Special Education Part B FER Supporting Data page. These counts will then generate a proportionate share obligation for the next year.

**Q.** What are allowable uses of proportionate share funds?

**A.** IDEA does not require a district to spend proportionate share funds only for direct services. Rather, through the consultation process described in 34 CFR §300.134, a determination must be made about how the available amount of funds will be utilized so that the parentally placed private, parochial and home school children with disabilities designated to receive services can benefit from the services offered. Depending on the discussions during the consultation process, local circumstances, and the amount of funds available to expend on services for parentally placed private, parochial and home school children, the district could determine, after timely and meaningful consultation, that it will provide its population of parentally placed private, parochial and home school children with disabilities with indirect services. These services could include consultative services, equipment, or materials for eligible parentally placed private, parochial and home school children with disabilities or training for private school teachers and other private school personnel.

The following are things to consider when using proportionate share funds:

- The provision of equitable services must be provided by employees of the public school or through contract by the public school with an individual, association, agency, organization, or other entity. However, the district may use proportionate share funds to pay for an employee of the private school to provide services if:
  - the private school employee performs the services outside of his or her regular hours of private school duties;
  - the services are provided on public school grounds or a neutral site; and,
  - the employee performs the services under public supervision and control.
- Special education and related services provided to parentally placed private, parochial and home school children, including materials and equipment, must be secular, neutral, and nonideological.
- The district may provide transportation for children to receive proportionate share services at a neutral site.
- The district must keep title to and exercise continuing administrative control of all property, equipment, and supplies that the public district acquires with proportionate share funds for the benefit of private school children with disabilities.

**Q.** What are non-allowable uses of proportionate share funds?

**A:** The following are non-allowable uses of proportionate share funds:

- Proportionate share funds cannot be used to pay for child find costs, including initial evaluations and re-evaluations.
- Proportionate share funds cannot be paid directly to the private, parochial, or home school.
- Missouri case law and the Missouri Constitution prohibit the provision of personnel, services, materials, and equipment on the premises of a child's private school unless they are provided in a neutral site.
- Proportionate share funds cannot be used to meet the needs of a private school or the general needs of the children enrolled in the private school.
- Proportionate share funds cannot be used for repairs, construction, or minor remodeling of private school facilities.

**Q.** May a district expend more than the proportionate share amount (current year obligation plus carryover) on children with disabilities placed by their parents in private, parochial, or home schools?

**A:** Yes. After all the proportionate share current year and carryover funds have been spent to provide special education or related services to parentally placed private, parochial and home school children with disabilities districts may use State, county, or local funds to supplement (in addition to) and in no case supplant (replace) the proportionate share amount. Additionally, as long as the district meets all the other requirements of the IDEA, including providing FAPE to public school children with disabilities, it is permissible for the district to

spend more than the minimum amount of Part B funds on providing services to children with disabilities placed by their parents in private, parochial, and home schools.

**Q.** How must the district track proportionate share expenditures?

**A:** District staff providing services should have their salaries/benefits prorated and coded separately in the general ledger under 1224 to account for the expenditure. The method of proration must be reasonable and justifiable. Any other proportionate share expenditures (contracted therapy, equipment, etc.) must also be tracked separately and coded under 1224. Function code 2557 must be used to code proportionate share transportation costs. The district must use source code 4 and project code 44100 to track the proportionate share expenditures paid with IDEA Part B 611 Federal funds.

**Q.** What documentation is the district required to maintain to support Proportionate Share expenditures?

**A:** The following documentation is required to support proportionate share expenditures:

- Student Roster (to include child's name, name of private/parochial school, date of evaluation, date services started, type of services being provided, location of services, name of personnel providing services, number of service minutes, and prorated costs.)
- Home School Declarations
- Service Plans
- Consultation Records
- Documentation of Refused Services

**Q.** What happens if the district does not expend all of the current year proportionate share funds by the end of the first year?

**A.** The district must obligate the remaining unspent proportionate share funds for special education and related services for parentally placed private, parochial and home school children during a carryover period of one additional year. The carryover funds must be budgeted and spent on proportionate share expenditures before any of the proportionate share current year obligation amount is spent. A budget revision must be created once the prior year Part B FER is approved to budget proportionate share carryover funds.

**Q.** What if the district does not expend all of the proportionate share carryover funds during the second year?

**A.** If the district cannot completely spend the proportionate share carryover funds during the second year having met all requirements in 34 CFR §300.130-148, the district should request a release of the unspent funds. Released proportionate share carryover funds can be spent on public children with disabilities within the district.

**Q.** How does the district request a release of the unspent proportionate share carryover funds?

**A.** The Proportionate Share Carryover Release Request is available through ePeGs. The release request is available at the beginning of January and is due March 1.

**Q.** Are there any criteria for releasing unspent proportionate share carryover funds?

**A.** Yes, allowable reasons for releasing unspent Proportionate Share funds include:

- Parents of Private, Parochial, or Home School Children refused services
- Child aged-out or graduated from Private, Parochial, or Home School
- Child no longer attends Private, Parochial, or Home School
- Proportionate Share carryover funds exceeded the amount needed for services provided

**Q.** What happens after the Proportionate Share Carryover Release Request is submitted and approved?

**A.** The district will need to complete a budget revision to move the unspent proportionate share carryover funds out of function codes 1224/2557 and into another function code on the budget grid.

**Q.** Are there any guidelines regarding how the proportionate share carryover released funds can be used?

**A.** Yes, released proportionate share carryover funds may be spent on public school children with disabilities.