DIVISION OF FINANCIAL AND ADMINISTRATIVE SERVICES

Special Education Finance

March 2015

Missouri Department
of Elementary and Secondary Education

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SPECIAL EDUCATION FINANCE WEB PAGE

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

- IDEA Allocations (Part B Entitlement and ECSE Federal)
- Due Dates - payment requests and reports
- ePeGS Training Guides
- Fiscal Monitoring Information and Guide
- Special Purpose Funds Information
- Proportionate Share Information
- Maintenance of Effort Information
- Early Childhood Special Education Information
- SELs messages
- Presentations

SPECIAL EDUCATION FINANCE DUE DATES

What Needs to Be Done This School Year (until June 30, 2015)		
Title	**Services Year**	**Due Date**
FY15 Part B Budget Application Amendments	2014-15	April 30, 2015

What Will Need to Be Done During Next School Year		
Title	**Services Year**	**Due Date**
FY16 Part B Budget Application	2015-16	July 1, 2015
FY15 Part B Final Expenditure Report	2014-15	Sept. 30, 2015
FY15 ECSE Expenditure Report	2014-15	Oct. 17, 2015
Public Placement Fund Application (Optional)	2014-15	Oct. 31, 2015
High Need Fund Application (Optional)	2014-15	Nov. 30, 2015
Request to Release Prop Share Carryover Funds	2015-16	March 1, 2016

RECORDED SPECIAL EDUCATION FINANCE MONTHLY WEBINARS

Webinar Title	Webinar Date	Webinar Topics
Special Education Finance Update	September 26, 2014	Submitting the 2013-14 Part B FER, 2013-14 Early Childhood Special Education Expenditure Report, Public Placement Fund application
October Special Education Finance Updates	October 15, 2014	Coding and cash management, IDEA Part B payment request information, and time and effort reporting for staff paid with IDEA Part B funds
November Special Education Finance Updates	November 19, 2014	Special Education Fiscal Desk Monitoring/Self-Assessments, coding of proportionate share expenditures
December Special Education Finance Updates	December 17, 2014	Early Childhood Special Education federal allocations, releasing proportionate share carryover funds
February Special Education Finance Updates	February 18, 2015	Maintenance of Effort (MOE)

Recorded at: http://dese.mo.gov/communications/webinar/webinar-recorded

TOPICS

- Special Education Finance Updates
  - Special Education Fiscal Monitoring
  - Upcoming ePeGs Changes
    - Early Childhood Special Education
    - Part B Entitlement
  - Coding Federal Expenditures
  - Maintenance of Effort (MOE)

SPECIAL EDUCATION FISCAL MONITORING

SPECIAL EDUCATION FISCAL MONITORING

- Special Education Fiscal Monitoring Guide will be updated with new Omni requirements
- Regional Special Education Fiscal Monitoring trainings will be held again in the fall
- 2016-17 will be the first year LEAs will be monitored on the implementation of the new Omni requirements in the 2015-16 year
  - Self-Assessments:
    - LEAs in Cohort 3 will complete self-assessments in 2016-17
  - On-Site Reviews:
    - Selected LEAs in Cohort 2 will receive on-site reviews in 2016-17

Cohort list: http://dese.mo.gov/sites/default/files/qs-cohort-lists-2014.pdf

UPCOMING ePeGS CHANGES

EARLY CHILDHOOD SPECIAL EDUCATION EXPENDITURE REPORT

- In 2014-15 and beyond, ECSE expenditures will be reported in ePeGs
- ASBR expenditures reported in 1280 & 2559 will be pulled onto ECSE ER Grid
- LEA must ensure accurate data reporting in MOSIS
- ECSE ER Supporting Data pages include:
  - Program Information
  - Instructional/Ancillary Personnel
  - Other Personnel
  - Purchased Services
  - Supplies
  - Equipment
  - Transportation
  - Facility Leases and Purchases
  - Submittal and Approval

SPECIAL EDUCATION PART B BUDGET APPLICATION

- Added Function Codes to Budget Grid:
  - 1932 – Tuition, Special Education Program Outside the State and Private Schools
  - 2553 – Contracted K-12 Disabled Transportation & 2554 – District Operated K-12 Disabled Transportation will replace 2550
- MOE steps added for Budgeted MOE to determine eligibility for award:
  - Step 1 – Child Count Data
  - Step 2 – School Year Budgeted State Only Expenditures
  - Step 3 – School Year Budgeted Local Only Expenditures
  - Step 4 – Adjustments and Exceptions
  - Step 5 – MOE Calculations
- Supporting Data Page added:
  - ECSE Expenditures in Current Year
  - MOE Adjustment/CEIS interactive tool

SPECIAL EDUCATION PART B FINAL EXPENDITURE REPORT

- FER Grid
  - Display the same funding details at the top of the Part B FER Grid as is displayed at the top of the Part B Budget Application Grid (Carryover, Proportionate Share, CEIS amounts)
- MOE steps added for Actual MOE to determine eligibility for award:
  - Step 1 – Child Count Data and ASBR Reported Expenditures
  - Step 2 – School Year Actual State Only Expenditures
  - Step 3 – School Year Actual Local Only Expenditures
  - Step 4 – Adjustments and Exceptions
  - Step 5 – MOE Calculations
  - Step 6 – ASBR and MOE Comparison
- Submittal and Approval page added

CODING FEDERAL EXPENDITURES

CODING FEDERAL EXPENDITURES

Special Education expenditures should be coded to Special Education function codes as defined in the Missouri Accounting Manual.

FUNCTION CODE	DESCRIPTION
1221	Special Education and Related Services
1223	Coordinated Early Intervening Services (CEIS)
1224	Proportionate Share Services
1280	Early Childhood Special Education (ECSE)
1931	Tuition, Special Education Programs Within The State
1932	Tuition, Special Education Programs Outside of State and Private
2553	Contracted Disabled K-12 Transportation Services
2554	District Operated Disabled K-12 Transportation Services
2559	ECSE Transportation

Function codes may fall into a higher coding level in the ASBR (i.e. 1221 falls into 1220)

CODING FEDERAL EXPENDITURES

General Ledger Example-FY15

01	1231	6111	105	00	Bilingual	198,471.26
01	1240	6151	105	00	Title I Aides	1,032,532.56
					Total	1,231,003.82

Annual Secretary of the Board Report (ASBR)
Version 1.119.1255

Function Code	Description	Total All Funds
1192	Juvenile Program	0.00
1210	Gifted	88,101.22
1221	Special Education and Related Services	607,444.30
1223	Coordinated Early Intervening Services	0.00
1224	Proportionate Share Services	1,231,003.82
1250	Supplemental Instruction	1,323,885.61
1271	Bilingual	0.00

Since there are no codes between 1224 and 1250, these expenditures may roll into an unintended code in the ASBR.

CODING FEDERAL EXPENDITURES

- LEAs must track expenditures paid with IDEA Part B federal funds separately from all other funding sources.
- LEAs should use a project code to identify IDEA Part B federal funds in the general ledger.
- Expenditure descriptors should be specific enough to determine the purpose of the expenditure.

METHOD	DESCRIPTION	EXAMPLE
Project/Source Code	A code is designated as a special education federal expenditure and is attached to the end of the accounting code structure.	Function-Object-Project 1221-6100-41

MAINTENANCE OF EFFORT

MAINTENANCE OF EFFORT (MOE) REQUIREMENT

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

(34 CFR §300.203)

MOE COMPLIANCE AND ELIGIBILITY REQUIREMENTS

Eligibility Requirement

Budget for Upcoming Year ≥ Expended Last FY for which data are available and Met MOE Compliance

- Report on Budget Application beginning 2015-16

Compliance Requirement

Spent in Current Year ≥ Expended Last FY Met MOE Compliance

- Report on Part B Final Expenditure Report

METHODS FOR MEETING MOE

LEAs can meet MOE by one of the following methods:

- Total Local Funds Only
- Per Child/Per Capita Local Funds Only
- Total Combination of State and Local Funds
- Per Child/Per Capita Combination of State and Local Funds

MONTHLY REVENUES

Year: 2014-2015 **Month:** January

For que

Revenue Code	Revenue Name	CFDA Number
5113	Prop C	
5311	Basic Formula - State Monies	
5312	Transportation	
5314	ECSE-State	
5319	Basic Formula - Classroom Trust Fund	
5324	Parents as Teachers	
5369	Pub Placement	
5382	MO Preschool Project	
5427	Perkins Basic Grant - Secondary	84048A
5441	Special Education Part B Entitlement	84027A
5445	School Food Services Lunch Payment	10555
5446	School Food Services Breakfast Payment	10553
5448	School Food Services Snack Payment	10555
5451	Title I	84010A
5462	Title III Immigrant	84365A
5465	Title II.A	84367A
5492	Title VI.B	84358B
TOTALS		

YEARLY REVENUES

Project or Grant	Revenue Code	CFDA		Amount	Totals
Prop C	5113			2,221,603.51	
			Grant Total		**2,221,603.51**
Basic Formula - State Monies	5311			6,799,552.00	
Bond Payment Direct Deposit 2008					-699,500.00
Bond Payment Direct Deposit 2011					-1,450,780.00
			Grant Total		**4,649,272.00**
Transportation	5312			230,591.00	
			Grant Total		**230,591.00**
ECSE - Current Year	5314			1,597,286.36	
			Grant Total		**1,597,286.36**
Basic Formula - Classroom Trust Fund	5319			981,870.00	
			Grant Total		**981,870.00**
At-Risk Program	5322			30,000.00	
			Grant Total		**30,000.00**
Parents as Teachers	5324			10,620.00	
			Grant Total		**10,620.00**
50/50 Equipment Grant	5332			1,600.00	
			Grant Total		**1,600.00**
Adult Salary Reimbursement	5332			68,540.00	
			Grant Total		**68,540.00**
Displaced Homemaker (Fee Waiver)	5332			877.00	
			Grant Total		**877.00**
Effectiveness Index Formula	5332			53,545.00	
			Grant Total		**53,545.00**
Family and Consumer Sciences Grant	5332			1,736.00	
			Grant Total		**1,736.00**

MOE – WHAT TO INCLUDE

Description	Function Code
Special Education and Related Services	1221
Proportionate Share Services (**supplemental only**)	1224
ECSE Services	1280
Tuition, Special Education Program Within State	1931
Tuition, Special Education Program Outside State	1932
Professional Development	2200
Contracted K-12 Disabled Transportation	2553
District Operated K-12 Disabled Transportation	2554
ECSE Transportation	2559
Facility Acquisition and Construction	4000

All Special Education expenditures within these function codes paid for with **non-Federal** funds must be included in MOE.

MOE FUNDING SOURCES

Local Funding	Revenue Code	State Funding	Revenue Code	Federal Funding	Revenue Code
Current Taxes	5111	Basic Formula – State Monies	5311	IDEA Part B (611) Entitlement	5441
Proposition C	5113	Transportation State Aid	5312	IDEA Grants (NOT Entitlement)	5437
City Sales Tax	5117	ECSE– State	5314	Non-IDEA Sped Grants	5438
Food Service Program	5150-5164	Public Placement Fund	5369	ECSE– Federal	5442
Other – From Local Sources	5190	High Need Fund - State	5381	Medicaid	5412
Tuition from other LEAs	5810				

Reporting Maintenance of Effort for Compliance

2014-15 and Beyond

TRACKING SEPARATELY

Track special education expenditures from state, local, and federal sources separately

Use Source/Project Codes to identify revenue

Special Education Teacher paid with Federal funds:

1221-6100-**41** SE Teacher Salaries $5,000

Special Education Teacher paid with State funds:

1221-6100-**00** SE Teacher Salaries $5,000

Special Education Teacher paid with Local funds:

1221-6100-**01** SE Teacher Salaries $5,000

TRACKING SEPARATELY IN GL

GENERAL LEDGER

MONTH: 01/2014 FISCAL YEAR: 2014

FD	FUNC	OBJ	BLD	PC	DESCRIPTION	BUDGET	CURRENT MONTH	YTD	Balance
FUNCTION CODE 1221: SPECIAL EDUCATION SERVICES									
01	1221	6111	105	41	SE CERTIFIED SALARY	176,229	19,581	117,486	58,743
01	1221	6151	105	00	SE SALARY NONCERT	148,835	16,537	99,223	49,612
01	1221	6211	300	41	SE TEACHER RETIREMENT	110,946	12,327	73,964	36,982
01	1221	6221	300	00	SE NON TEACHER RETIREMENT	12,467	1,385	8,311	4,156
01	1221	6231	105	41	SE SOCIAL SECURITY	11,576	1,286	7,717	3,859
01	1221	6241	300	00	SE MEDICARE	11,474	1,275	7,649	3,825
01	1221	6251	105	41	SE MEDICAL INSURANCE	121,177	10,098	60,589	60,589
01	1221	6311	105	01	SE PROFESSIONAL DEVELOPMENT	10,539	25	6,897	3,642
01	1221	6321	105	41	SE CONTRACT THERAPY SERVICES	127,825	3,814	99,419	28,406
01	1221	6331	300	00	SE EMPL TRAVEL REIMBURSEMENT	1,100	10	743	357
01	1221	6341	105	41	SE EMPL ITINERANT TRAVEL	5,642	78	4,201	1,441
01	1221	6411	105	00	SE GENERAL CLASSROOM SUPPLIES	11,000	1,256	9,461	1,539
01	1221	6421	300	00	SE IEP SUPPLIES	15,657	284	3,698	11,959
01	1221	6511	105	01	SE EQUIPMENT	5,243	-	1,694	3,549
					SUBTOTAL	**769,710**	**67,957**	**501,053**	**268,657**

41 = Expenditures paid with IDEA Part B federal funds
00 = Expenditures paid with State funds
01 = Expenditures paid with Local funds

CALCULATING MOE

1. Anything tagged with a Federal code will NOT be included in MOE.

2. Anything tagged with a State code will be included toward the State and Local combination amount.

3. Anything tagged with a Local code will be included toward the State and Local combination amount AND will also be pulled out separately for the Local Only amount.

MOE CHANGES - COMPLIANCE

Reporting Actual MOE on 2014-15 Part B FER:

- LEA no longer selects MOE method
- Report both Local and State Actual Special Education Expenditures separately in MOE grids on Part B FER (due September 30, 2015)

TESTING MOE COMPLIANCE

- State will run all four tests to check MOE compliance
- Actual amount spent will be compared to prior years (last time MOE met with that method)
- MOE in 2014-15 will set the local threshold if local expenditures are reported

EXAMPLE

Amount to run Special Education Program in 2013-14:
$500,000

IDEA Part B (611) Allocation in 2013-14:	$150,000
MOE from State and Local Combination:	$350,000

MOE COMPLIANCE EXAMPLES

Year	State	Local	MOE Combo Method Test	MOE Local Method Test
2013-2014	?	?	$350,000 Met	NA
2014-2015	$325,000	$25,000	$350,000 Met	$25,000 *threshold
2015-2016	$315,000	$30,000	$345,000	$30,000 Met
2016-2017	$342,000	$15,000	$357,000 Met	$15,000
2017-2018	$310,000	$35,000	$345,000	$35,000 Met
2018-2019	$330,000	$35,000	$365,000 Met	$35,000 Met
2019-2020	$340,000	$26,000	$366,000 Met	$26,000

Including ECSE in MOE

INCLUDING ECSE EXPENDITURES IN MOE

Current year Early Childhood Special Education (ECSE) expenditures must be included in MOE.

How do I determine **which** ECSE expenditures to include in MOE?

Answer:

1. Re-code Federal Expenditures
2. Expend Federal Funds within 3 days and Track Separately

*This must also be done to be in compliance with the Cash Management Improvement Act (CMIA)

RECODING ECSE EXPENDITURES AS FEDERAL

Step 1:
Incur and code to non-federal/general account in general ledger

Step 2:
Receive funds – view monthly payment transmittals to determine when federal ECSE funds have been received

Step 3:
Recode as federal expenditure

RECODING ECSE EXPENDITURES AS FEDERAL

GENERAL LEDGER

MONTH: 01/2014 FISCAL YEAR: 2014

FD	FUNC	OBJ	BLD	PC	DESCRIPTION		BUDGET	CURRENT MONTH	YTD	Balance
FUNCTION CODE 1281: ECSE SERVICES										
01	1281	6122	105	00	ECSE CERTIFIED SALARY	#1	32,813	3,646	25,521	7,292
CR	1281	6122	105	00	ECSE CERTIFIED SALARY		32,813	(3,645)	21,875	10,938
01	1281	6122	105	42	ECSE CERTIFIED SALARY*		3,646	3,646	3,646	-
01	1281	6152	105	00	ECSE SALARY NONCERT		23,147	2,572	18,003	5,144
CR	1281	6152	105	00	ECSE SALARY NONCERT		23,147	(2,572)	15,431	7,716
01	1281	6152	105	00	ECSE SALARY NONCERT*		23,147	2,000	23,000	147
01	1281	6152	105	42	ECSE SALARY NONCERT*		572	572	572	-
01	1281	6252	105	00	ECSE TEACHER RETIREMENT		11,364	1,263	8,839	2,525
01	1281	6322	105	00	ECSE PURCHASED SERVICES		7,915	1,258	4,763	3,152
01	1281	6422	105	00	ECSE SUPPLIES		6,379	360	3,347	3,032
01	1281	6522	105	00	ECSE EQUIPMENT		4,681	-	4,028	653
*RECODED FROM CORR						SUBTOTAL	90,517	12,744	73,716	16,801

#3

1. Code expenditure to non-federal account (project code "00" designates paid with state funds).
2. Receive funds.
3. Recode as ECSE federal expenditure with project/source code "42" <u>within</u> 3 days.

EXPENDING ECSE FEDERAL WITHIN THREE DAYS

Step 1:
Receive Federal Funds in Monthly School Payment

Federal amount	$500.00	4/21/15

Step 2:
Incur and Code to Federal Account (“42”) within 3 Days

1280-6111-**42**	$500.00	4/24/15

CALCULATING ECSE EXPENDITURES IN MOE

Districts must take the following steps to determine amount of ECSE expenditures to include in MOE:

1. Pull from general ledger all ECSE expenditures (function codes 1280/2559) for year just concluded that have been coded as NON-Federal.

2. Calculate total by function/object code of ECSE expenditures paid with NON-Federal funds for year just concluded and enter into MOE grid.

Budgeting Maintenance Of Effort for Eligibility

2015-16 and Beyond

MOE CHANGES - ELIGIBILITY

Reporting Budgeted MOE on 2015-16 Part B Budget Application:

- Report both Local and State Special Education Budgeted Expenditures separately in MOE grids on Part B Budget Application (due July 1, 2015)

- To determine eligibility for new FY grant award

TESTING MOE ELIGIBILITY

- State will run all four tests to check MOE eligibility
- Amount budgeted will be compared to the amount expended for each method in most recent fiscal year for which information is available
- Example:
  - 2015-16 budgeted MOE will be compared to 2013-14 actual MOE

Allowable MOE Exceptions

ALLOWABLE MOE EXCEPTIONS

- 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

These are the ONLY allowable exceptions to MOE

MOE Adjustment

MOE ADJUSTMENT

- IDEA allows the LEA to reduce MOE threshold when allocations increase from one year to next.
- This reduction assists LEA in spending increase in Federal funds.

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 amounts for LEAs are posted at:
http://dese.mo.gov/financial-admin-services/special-education-finance/part-b-funding-and-allocations

MOE ADJUSTMENT

If an adjustment to MOE is taken, freed up state and/or local funds must be spent on ESEA activities including:

- ❑ **Title I**
- ❑ **Title II**
- ❑ **Title III**
- ❑ **Title IV**
- ❑ **Title V**
- ❑ **Title VI**
- ❑ **Title VII**
- ❑ **Title VIII**

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).
- MOE Adjustment must be taken in the year of the increase.
- MOE Adjustment resets the MOE for MOE Adjustment year and future years until LEA voluntarily increases.
- MOE Adjustment may be taken in conjunction with any allowable MOE exceptions.

RESOURCES

- General Federal Guidance

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

- Special Education Fiscal Monitoring Guide

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

- 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

QUESTIONS?

Contact the Special Education Finance Section:

- Email: spedfunding@dese.mo.gov
- Telephone: (573) 751-0622