

*Special Education Finance
Budget Webinar Series*



Part II: New Process for Budgeting and Requesting ECSE Federal Funds

May 4, 2018



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OVERVIEW





INTRODUCTION

Historically, only districts/LEAs with ECSE programs have received ECSE reimbursement, which has been reimbursed based on a portion of state funds and a portion of federal funds.

Starting in FY19, ALL districts/LEAs will receive an ECSE federal allocation amount that is based on a formula, whether or not the district/LEA has an ECSE program.

This will change the entire payment process for the ECSE program.
This webinar will discuss how to access ECSE funds.



ECSE FUNDING SOURCES

- **STATE FUNDS** – These are funds appropriated by the state legislature every year specifically for children ages 3-5 with disabilities, not yet kindergarten eligible, in the ECSE program.
- **FEDERAL IDEA 611 FUNDS** – These are federal grant award funds for children ages 3-21 with disabilities. However, the State of MO has delegated a portion of these funds specifically for children ages 3-5 with disabilities in the ECSE program based on child count data.
- **FEDERAL IDEA 619 FUNDS** – These are federal grant award funds for children ages 3-5 with disabilities in ECSE, and children 5 years old with disabilities in Kindergarten.



CURRENT (OLD) ECSE PAYMENT PROCESS

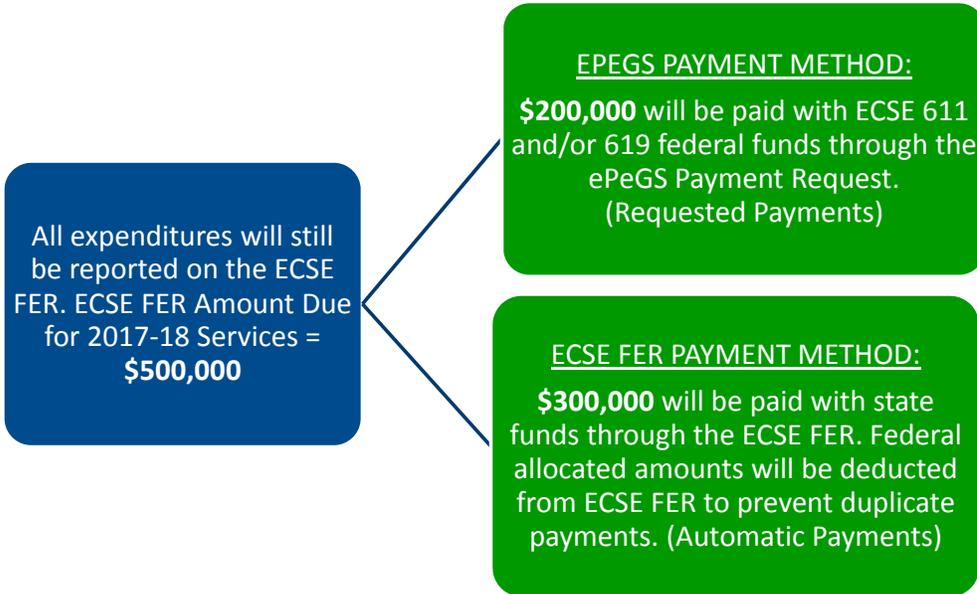
- Districts/LEAs submit ECSE FER in the Fall to report prior year services
- DESE uploads state and federal payment amounts (no allocation process) only for districts/LEAs with ECSE programs
- Districts/LEAs receive automatic payments in the monthly payment transmittal throughout the fiscal year of both ECSE state and ECSE federal funds



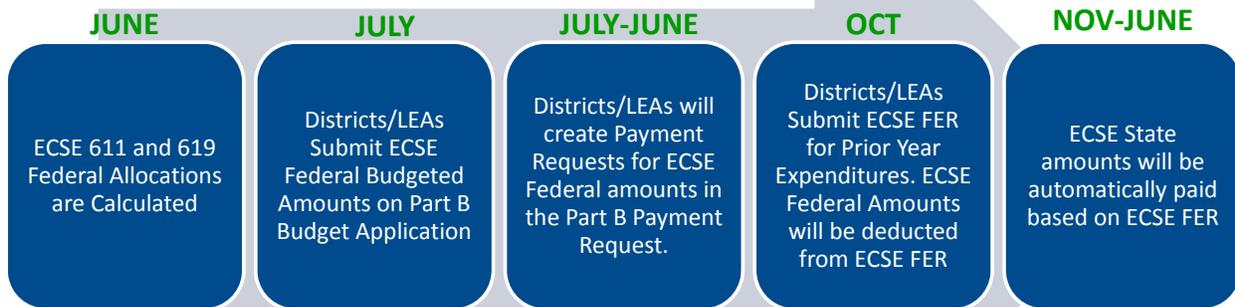
NEW ECSE PAYMENT PROCESS

- Districts/LEAs will budget ECSE FEDERAL funds through the Part B Budget Application for current year expenses.
- Districts/LEAs will submit payment requests for ECSE FEDERAL funds through the Part B Payment Request.
- Districts/LEAs will still submit the ECSE FER in the fall to report prior year services.
- Allocated ECSE FEDERAL funds will be deducted from ECSE FER since these funds will be paid through the Part B Payment Request.
- Districts/LEAs will still receive automatic ECSE STATE payments in the monthly payment transmittal throughout the fiscal year.

NEW PROCESS EXAMPLE



NEW PROCESS TIMELINE



OLD TO NEW PROCESS COMPARISON

OLD PROCESS	NEW PROCESS
Only districts/LEAs with ECSE programs received ECSE federal funds.	Every district/LEA with a grade level K will be allocated ECSE federal funds.
No allocation process for ECSE federal funds.	New allocation process for ECSE federal funds that follows federal requirements.
No budget application for ECSE federal funds.	ECSE federal funds must be budgeted in the Part B Budget Application.
No payment request for ECSE federal funds, funds distributed on automatic payments.	ECSE federal funds must be requested through the Part B Payment Request.
ECSE federal funds had to be spent on 3-5 year olds in ECSE Program.	ECSE federal funds may be spent outside of the ECSE program for allowable purposes.



WHY CHANGE TO A NEW PROCESS?

- Allocation Method not fully compliant with IDEA Federal Regulations (no allocation formula)
- Payment Method not fully compliant with Cash Management Requirements (no payment request)
- Obligation Period not fully compliant with Uniform Grant Guidance (no budget application)
- Period of Availability not fully compliant with Uniform Grant Guidance (no budget application)



ECSE FEDERAL ALLOCATIONS



ECSE FEDERAL 611 ALLOCATIONS

- The 611 allocation includes funds for ECSE and K-12 students. This amount will increase from prior years.
- The 611 amount allocated for ECSE will be pulled out from the overall Part B Allocation for districts/LEAs with prior year ECSE child count. This amount will be indicated in the ePeGS Part B budget application.
- Every district/LEA will receive an increase in Part B 611 funds, but not all districts/LEAs will have a portion set-aside for ECSE.
- Districts/LEAs MAY spend this amount on ECSE expenditures. However, if districts/LEAs decide to use these funds towards K-12 special education expenditures, districts/LEAs will not get any more ECSE state reimbursement to fill the gap.

ECSE FEDERAL 611 EXAMPLE

TOTAL ECSE REIMBURSEMENT 18-19 (17-18 SERVICES) = \$500,000

- ECSE 611 Federal Amount: \$150,000
- ECSE 619 Federal Amount: \$50,000
- ECSE State Amount: \$300,000

611 ECSE Federal Amount May Be Spent on K-12 Expenditures



If funds are spent on K-12 expenditures, the district/LEA will not get any additional ECSE 619 (\$50,000) or ECSE State reimbursement (\$300,000) to fill the ECSE gap in funding (\$150,000).

ECSE FEDERAL 619 ALLOCATIONS

- 619 allocation includes funds for ECSE and Kindergarten aged 5 students.
- The 619 amount allocated for ECSE will be a separate allocation from the 611 amount.
- Districts/LEAs MUST spend this amount on ECSE expenditures, child find costs, professional development for Kindergarten teachers serving students aged 5 with disabilities, or any services/supports provided to 5 year old students with disabilities in Kindergarten.
- However, if districts/LEAs decide to use these funds towards child find costs, professional development for Kindergarten teachers serving 5 year old students with disabilities, or any services/supports provided to 5 year old students with disabilities in Kindergarten, the district/LEA must track these expenditures separately in the general ledger. In addition, the district/LEA must ensure these funds are not utilized once the student(s) turn 6 years old.

ECSE FEDERAL 619 EXAMPLE

TOTAL ECSE REIMBURSEMENT 18-19 (17-18 SERVICES) = \$0

- ECSE 611 Federal Amount: \$0
- ECSE 619 Federal Amount: \$50,000
- ECSE State Amount: \$0

Funds may be spent on child find costs, professional development for Kindergarten teachers serving 5 year old students with disabilities, or any services/supports provided to 5 year old students with disabilities in Kindergarten.



The district/LEA must track these expenditures separately in the general ledger and ensure these funds are not utilized once the child/children turn 6 years old.



BUDGETING & REQUESTING ECSE FEDERAL FUNDS



HOW TO BUDGET ECSE FEDERAL FUNDS

- Districts/LEAs will budget ECSE 611 and 619 federal allocation amounts in the Part B Budget Application.
- The ECSE 611 and 619 federal allocation amounts will be listed above the budget grid.
- There will be two individual separate lines at the bottom of the grid to budget ECSE 611 funds and ECSE 619 funds.



PART B BUDGET APPLICATION

Part B and ECSE Total Funds Available \$0.00

<u>Part B</u>		<u>Proportionate Share</u>		<u>CEIS</u>	
*Current Year Regular Part B	\$0.00	Current Year Calculation	\$0.00	Current Year Calculation	\$0.00
*Regular Part B Carryover	\$0.00	Prior Year Carryover	\$0.00	Prior Year Carryover	\$0.00
Total Available	\$0.00	Total Available	\$0.00	Total Available	\$0.00
*Regular Part B includes CEIS		Prop Share Guidance		CEIS Guidance	

<u>ECSE</u>	
Current Year ECSE 611	\$0.00
Current Year ECSE 619	\$0.00
Total Available	\$0.00

PART B BUDGET GRID		6100	6150	6200	6300	6400	6500	6600	
		Certified	Noncertified	Employee	Purchased	Materials &	Capital	Other	
		Salaries	Salaries	Benefits	Services	Supplies	Outlay		
	1221	Special Education and Related Services							
	1225	Coordinated Early Intervening Services							
	1224	Proportionate Share Services							
	1990	Tuition, Special Ed Services							
	2100	Support Services - Pupils							
	2200	Professional Development							
	2300	Support Services - General Administration							
2400	Support Services - Building Level Administration								
2500	Transportation & Maintenance								
2553	Contracted Disabled Transportation								
2554	District Operated Disabled Transportation								
2557	SRED Proportionate Share Transportation								
4000	Facilities Acquisition and Construction								
	PART B SUBTOTAL								
	ECSE 611								
	ECSE 619								
	ECSE SUBTOTAL								
	PROGRAM COSTS SUBTOTAL								


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BUDGET EXAMPLE I

TOTAL ECSE REIMBURSEMENT 18-19 (BASED 2017-18 COSTS)= \$500,000

- ECSE 611 Federal Amount: \$150,000
- ECSE 619 Federal Amount: \$50,000
- ECSE State Amount: \$300,000

PART B BUDGET GRID
EXAMPLE I

	6100 Certified Salaries	6150 Noncertified Salaries	6200 Employee Benefits	6300 Purchased Services	6400 Materials & Supplies	6500 Capital Outlay	6600 Other	TOTAL
1221 Special Education and Related Services								
1223 Coordinated Early Intervening Services								
1224 Proportionate Share Services								
1990 Tuition, Special Ed Services								
2100 Support Services - Pupils								
2200 Professional Development								
2300 Support Services - General Administration								
2400 Support Services - Building Level Administration								
2500 Transportation & Maintenance								
2553 Contracted Disabled Transportation								
2554 District Operated Disabled Transportation								
2557 SPED Proportionate Share Transportation								
4000 Facilities Acquisition and Construction								
PART B SUBTOTAL								
ECSE 611	102000	48000						150000
ECSE 619			50000					50000
ECSE SUBTOTAL								
PROGRAM COSTS SUBTOTAL								


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BUDGET EXAMPLE II (UNDER BUDGET)

TOTAL ECSE REIMBURSEMENT 18-19 (BASED 2017-18 COSTS)= = \$500,000

- ECSE 611 Federal Amount: \$150,000
- ECSE 619 Federal Amount: \$50,000
- ECSE State Amount: \$300,000

PART B BUDGET GRID
EXAMPLE II

	6100 Certified Salaries	6150 Noncertified Salaries	6200 Employee Benefits	6300 Purchased Services	6400 Materials & Supplies	6500 Capital Outlay	6600 Other	TOTAL
1221 Special Education and Related Services								
1222 Coordinated Early Intervening Services								
1224 Proportionate Share Services								
1990 Tuition, Special Ed Services								
2100 Support Services - Pupils								
2200 Professional Development								
2300 Support Services - General Administration								
2400 Support Services - Building Level Administration								
2500 Transportation & Maintenance								
2553 Contracted Disabled Transportation								
2554 District Operated Disabled Transportation								
2557 SPED Proportionate Share Transportation								
4000 Facilities Acquisition and Construction								
PART B SUBTOTAL								
ECSE 611	102,000							102,000
ECSE 619			50,000					50,000
ECSE SUBTOTAL								
PROGRAM COSTS SUBTOTAL								

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BUDGET EXAMPLE II (UNDER BUDGET)

TOTAL ECSE REIMBURSEMENT 18-19 = \$500,000

- ECSE 611 Federal Amount: \$150,000
- ECSE 619 Federal Amount: \$50,000
- ECSE State Amount: \$300,000

District/LEA only budgets and requests \$102,000 of the \$150,000 allocation.

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DESE will still deduct \$150,000 from the ECSE FER and the district/LEA will not receive \$48,000 in ECSE reimbursement.

HOW TO REQUEST ECSE FEDERAL FUNDS

- Utilize Part B Payment Request
- Payment Request amount must be based on expenditures that have already been incurred

PART B PAYMENT REQUEST

	6100 Certified Salaries	6150 Noncertified Salaries	6200 Employee Benefits	6300 Purchased Services	6400 Materials & Supplies	6500 Capital Outlay	6600 Other	TOTAL
2400 Support Services – Building Level Administration								
2500 Transportation & Maintenance								
2553 Contracted Disabled Transportation								
2554 District Operated Disabled Transportation								
2557 SPED Proportionate Share Transportation								
4000 Facilities Acquisition and Construction								
PART B SUBTOTAL								
ECSE 611	10000	5000						15000
ECSE 619			5000					5000
ECSE SUBTOTAL								
PROGRAM COSTS SUBTOTAL								

Part B Payment Request Amount	
ECSE 611 Payment Request Amount	15000
ECSE 619 Payment Request Amount	5000
Total Payment Request Amount	



WHEN TO REQUEST ECSE FEDERAL FUNDS

- On a reimbursement basis (meaning only after the district/LEA has that amount of expenditures coded in the current year general ledger)
- Based on current monthly percentage thresholds as set for the Part B payment request.



PAYMENT HISTORY REPORT

Processed Date	Payment Transmittal	CFDA Number	Payment Type	Part B Amount	ECSE 611 Amount	ECSE 619 Amount	Total
4/9/2018	Feb-18		PAYMENT	233991.29	259233.74	137514.00	630739.03
3/9/2018	Mar-18		PAYMENT	3153695.15	15000.00	5000.00	3173695.15
Total				3387686.44	274233.74	142514	3804434.18

**PAYMENT
TRANSMITTAL**

DISTRICT: XXX-XXX SCHOOL NAME
 PAYMENT YEAR: 2017-18 MONTH: APRIL
 Deposit Date: 04/20/2018 Check/EFT: EF4181801609

Revenue Code	Revenue Name	CFDA Number	Federal Award Identification Number	Monthly Payment	Minus Bond Payment Direct Deposit	Net Monthly Payment
5113	Prop C			\$164,180.62		\$164,108.62
5311	Basic Formula - State Monies			\$597,823.00	\$182,415.00	\$415,408.00
5312	Transportation			\$17,867.00		\$17,867.00
5314	ECSE - State			\$115,834.54		\$115,834.54
5319	Basic Formula - Classroom Trust Fund			\$76,984.18		\$76,984.18
5359	Career Enhancement Education Grant			\$2,284.66		\$2,284.66
5427	Career Education Pathways for Teachers Grant	84048A	V048A160025	\$3,225.00		\$3,225.00
5441	IDEA Special Ed	84027A	H027A170040	\$48,652.31		\$48,652.31
5442	ECSE - Federal (611)	84027A	H027A170040	\$15,000.00		\$15,000.00
5442	ECSE - Federal (619)	84173A	H171A170103	\$5,000.00		\$5,000.00
TOTAL				\$1,046,851.31	\$182,415.00	\$864,364.31



**CODING AND REPORTING
ECSE FEDERAL FUNDS**





CODING ECSE FEDERAL FUNDS

FEDERAL:

- PROJECT CODES: 44200 (611), 44201 (619)
- SOURCE CODE: 4 (Federal)

STATE:

- *PROJECT CODES: 12810*
- *SOURCE CODES: 1 (Local), 2 (County), 3 (State)*



HOW TO REPORT ECSE FEDERAL FUNDS

- Utilize Part B FER to report ECSE federal funds at the bottom of the Part B FER grid.



OTHER CONSIDERATIONS



CASH MANAGEMENT

- ECSE federal funds may only be requested on a reimbursement basis (the district/LEA has already expended the amount being requested).
- Districts/LEAs must tie ECSE federal funds to specific expenditures through coding in the general ledger.
- Districts/LEAs have two options to “tie” federal funds to expenditures.
 - Code In Advance (allocation amounts known upfront)
 - Journal Entry Correction on or before the day federal funds are received (payment request amount)



OBLIGATION OF FUNDS

- To obligate funds is to reserve, commit, or set-aside for a specific activity or purpose.
- Federal funds cannot be obligated until the Budget Application is submitted or July 1st, whichever is later.

OBLIGATION OF FUNDS CHART



IF THE OBLIGATION IS FOR...	THEN THE OBLIGATION PERIOD BEGINS...
General Purchases	On the date the district/LEA creates a purchase order. Do not create Purchase Orders being paid with ECSE federal funds prior to the Part B Budget Application submission date, or July 1, whichever is later.
Personal services by an employee of the district/LEA	On the date the services are performed. For teachers, the obligation begins when the work is performed NOT when the contract is signed. Do not pay teachers for work performed with ECSE federal funds until the Part B Budget Application submission date, or July 1, whichever is later.
Services by a contractor who is not an employee of the district/LEA	On the date the district/LEA signs a contract or creates a purchase order. This includes contracts to provide specific IEP services (e.g. OTs, PTs, and tutors). Do not sign contracts being paid with ECSE federal funds prior to the Part B Budget Application submission date, or July 1, whichever is later.
Travel	On the date the travel is performed. Do not pay travel with ECSE federal funds until the Part B Budget Application submission date, or July 1, whichever is later.



PERIOD OF AVAILABILITY

- Do not pay any prior year ECSE expenditures that are invoiced after the grant period (i.e. Contracted June ESY invoiced in July) with the ECSE federal funds being granted on July 1st. The district/LEA may not use new funds to pay for prior year expenditures.

QUESTIONS FOR FAQ

- Am I losing any ECSE reimbursement?
- What if I don't have an ECSE program in the current year?
- What if I had an ECSE program last year and don't have a program this year?
- How do I track expenditures for Kindergartners who are 5 years old?
- Can I submit a 611 or 619 payment request prior to my ECSE FER submission?
- What happens if I don't request the entire allocation amount?
- Will there be a reallocation process?
- How can I tell the difference between ECSE and Part B payments on my payment transmittal?



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