FUNDING UPDATES
SPECIAL EDUCATION DIRECTORS MEETING
February 3, 2016

TOPICS:
• HCF (High Cost Funds) for Special Education: Two major changes
• MOE (Maintenance of Effort) for Special Education: Several major changes
• Non-Ed (Non-Educational Community-Based Support Services)
  o 2015-2016 award still pending (possibly February 2016?)

ADDITIONAL RESOURCES:
• Adaptation of TEA’s Draft Summary of Preliminary Compliance Review document
• IDEA-B LEA MOE Compliance Review Process (Flowchart)
• TEA’s Presentation at TCASE: IDEA-B LEA Maintenance of Effort

WORKSHOP FLYERS:
• TEA TETN on *IDEA-B LEA Maintenance of Effort* (same presentation offered twice)
  o February 9, 2016
    ▪ 10:00 am – 11:00 am
    ▪ Workshop #PD160209-A37
  o February 11, 2016
    ▪ 1:30 pm – 2:30 pm
    ▪ Workshop #PD160211-A37
• March 10, 2016 *MOE for Special Education*
  o In-depth training
  o Workshop #PD160310-A37
  o Includes complementary luncheon sponsored by MSB, a SHARS Medicaid billing services provider, to provide information on how to maximize SHARS reimbursement
• April 7, 2016 *MOE Analysis for Special Education*
  o Guided Hands-On Exercises with LEAs’ own data
  o Workshop #PD160407-A37

CONTACT:
Denise Dusek, MPA Ph: (210) 370-5378 Email: denise.dusek@esc20.net
Texas High Cost Fund State Plan

Accessed January 27, 2016 at:
http://tea.texas.gov/Curriculum_and/Instructional_Programs/Special_Education/Programs_and_Services/Special_Education_Funding/High_Cost_Fund_State_Plan/

Federal Legislation
34 CFR §300.704 allows the Texas Education Agency (TEA) to reserve funds to assist local educational agencies (LEAs) in providing for educational services to high-need children with disabilities. The regulation requires the state to establish a definition of a high-need child with a disability that addresses the financial impact on the budget of an LEA and ensures that the cost of educating the child is greater than three times the average per-pupil expenditure (APPE) as defined in Section 9101 of the Elementary and Secondary Education Act (ESEA).

Texas Legislative Intent
The Texas Legislature requires TEA to set aside the maximum amount of funds allowed by the federal regulation to establish a high cost risk pool to address the needs of these children. The funds are not used to establish, support, or administer the program and remain under the control of the state until disbursed to an LEA to support a specific high-need child.

Purpose
High Cost Funds (HCF) are intended to assist LEAs in the provision of direct special education and related services to these high-need children. The HCF State Plan was created in consultation with stakeholders from across the state.
Definition
A high-need child with a disability receives special education and related services identified in an individualized education program (IEP) that exceed the typical needs of a child with a disability thus creating a financial impact on the LEA. When the costs to provide a FAPE to a child with a disability exceed three times the APPE, a district may request HCF. Only costs identified in the child’s IEP and associated with providing direct special education and related services to the child are considered in determining whether a child is a high-need child.

[Comments inserted by ESC-20: The APPE (average per-pupil expenditure as defined by ESEA) is higher this year than last year. The current APPE is $9,273 so, to qualify as a high-need student with a disability in the HCF Eligibility application, the LEA will need to demonstrate that it has spent at least $27,820 on special education and related services documented in the IEP. However, keep in mind that when you submit your HCF Eligibility application to TEA, you will actually need to have total costs for a particular student be at least $33,000 because your LEA’s AA (Adjusted Allotment) and SHARS Reimbursement amount for that particular child, if applicable, will be subtracted from the total costs submitted for a specific student. The result must not be less than three times the APPE. Therefore, you will need to reach the $27,820 after subtracting AA and SHARS. The AA averages around $5,000 for an LEA.]

LEA Eligibility Criteria
An LEA may request a HCF award provided the following:

- The LEA has ensured placements supported by funds requested through a HCF award reimbursement are consistent with the requirements of CFR §§300.114 through 300.118.
- The LEA must not have lapsed IDEA-B Formula or Formula Deaf funds from the previous school year.
- The LEA must not have carried forward 60% or more of its IDEA-B formula funds from the previous year.

[Comments inserted by ESC-20: In the past, along with the qualifiers listed above, the LEA also had to comply with all systems of accountability and reporting to TEA, including accountability ratings, performance-based monitoring, compliance, fiscal reports, dispute resolution processes, etc., to be eligible to request a HCF award. Effective 2014-2015, that qualifier was removed and the LEA only needs to meet the three qualifiers listed above - not violating LRE, not lapsing IDEA-B Formula or Formula Deaf funds, and not carrying forward 60% or more of its IDEA-B Formula funds.]
HCF Eligibility Application

To request reimbursement of expenses related to educating a high-need child from the HCF risk pool, an LEA must submit a HCF eligibility application. The special education director or designee must submit the application. If an LEA is a member of a shared services arrangement (SSA), the SSA fiscal agent must submit the application. An LEA may submit multiple student applications, but must not exceed two percent of the October snapshot count of children with disabilities enrolled in the LEA. Consideration for extenuating circumstances will be made on a case-by-case basis discussed with and approved by TEA.

[Comments inserted by ESC-20: In the past, there was no limit to the number of students with disabilities to include in the request for a High Cost Fund award, provided they met the definition of a high-need student. Now, the number is limited and cannot exceed 2% of the students enrolled in special education from the fall snapshot, unless there are extenuating circumstances.]

All applications must be received through the Texas Education Agency Secure Environment (TEASE) by the close of business on the first Friday in April of each fiscal year. Prior notification of the application availability will be made to all LEAs.

[Comments inserted by ESC-20: TEA is anticipating the application will open in the spring, maybe around March.]

A TEASE account is required in order to access and submit the application. For information on how to apply for a TEASE account or for assistance regarding TEASE issues, access TEASE HELP or email computer.access@tea.texas.gov. Only one submitter per LEA or SSA is allowed.

[Comments inserted by ESC-20: Only one person at the LEA (or SSA, if applicable) can have a TEASE account to submit the High Cost Fund Eligibility application. If the approved submitter is an employee who should no longer have the access, the superintendent must first revoke that person’s access before TEA can approve a request for a new user. TEA suggests checking this now if you are interested in requesting High Cost Funds, so you will be ready once the application opens. Superintendents should access their “User Administration +” to see if someone at the LEA has access to the High Cost Fund Eligibility application, and if so, if it is the correct person.]
Use of Funds

Consistent with LRE requirements of IDEA 2004 (34 CFR §300.114), the costs associated with educating a high-need child with a disability are only those costs associated with providing the direct special education and related services that are identified in that child’s IEP, including the cost of room and board for a residential placement determined necessary to implement a child’s IEP. Additional requirements regarding the use of funds include the following:

- Eligible LEAs receive discretionary residential funds to assist with the costs of children with disabilities who are served in residential care and treatment facilities; therefore, the HCF disbursements are limited to a portion of the LEA’s 25% residential amount set aside for a specific high-need child.
- The LEA must incur all costs during the school year.
- The LEA may not use HCF to limit or place conditions on the right of a child with a disability to receive a FAPE.
- The LEA may not use HCF for placements that are determined inconsistently with 34 CFR §§300.114-118.
- The LEA may not use HCF to support legal fees, court costs, or other costs associated with a cause of action brought on behalf of a child with a disability to ensure FAPE.
- The LEA may not use HCF to pay costs that would be reimbursed as medical assistance for a child with a disability under Title XIX of the Social Security Act’s State Medicaid program.
- **All cost items documented in the HCF Eligibility Application must be clearly identified in the child’s IEP.**
- The HCF is used only to provide the services documented in the HCF Eligibility Application for a specific high-need child. Do not use the HCF to support other activities.

[Comments inserted by ESC-20: Only costs that are student-specific and are associated with the provision of FAPE are allowable. Costs must be identified in the child’s IEP. Costs for items that equip classrooms or that will be used by multiple students are not allowable.]
Documentation

LEAs must create and maintain adequate and sufficient documentation for all HCF expenditures for reimbursement. The LEA must submit the appropriate time and effort and certification reports if the award funds the pro-rated salaries of any personnel who provide services to a high-need child. The LEA must submit the high-need child’s IEP and any supporting documents. TEA may require additional evidence for any expenditures, such as paid invoices or other documentation, for items included in the application for reimbursement.

[Comments inserted by ESC-20: The LEA must provide documentation for all HCF expenditures. A copy of the ARD/IEP document must be submitted with a cover sheet that references the page numbers where the submitted costs in the HCF Eligibility application are documented.]

Distribution of Funds

LEAs will provide the services required by the child’s IEP, and TEA will reimburse LEAs for allowable expenses identified in the HCF eligibility application based on availability of funds. If the amount of funds requested exceed the available funds reserved the reimbursement will be prorated. All applications submitted to TEA by the close of business on the first Friday in April will be reviewed by the Division of Federal and State Education Policy staff. Once all applications are reviewed, TEA will determine award amounts and provide notification of award or denial to the Superintendent of the Single Member District or the Superintendent of the Fiscal Agent of an SSA, the Special Education Director of the LEA, and to the Special Education Contact of the Education Service Center (ESC).

Notification of awards will be made as soon as possible, but not later than July 1 of each fiscal year.

[Comments inserted by ESC-20: In the past, LEAs submitted their request for a High Cost Fund award in the fall, based on a projection/estimate of expected expenditures. This process has changed. Now, LEAs submit their request in the spring to request reimbursement for actual expenditures, based on funds they have already used to provide FAPE to high-need students with disabilities. The award will no longer be based on a projected needed. However, some costs, such as payroll costs, can be a projection of costs for the school year. The LEA should be prepared to submit time and effort and certification reports if the LEA requests an award based on pro-rated payroll costs.]
[Comments by ESC-20: Please keep in mind the intent of the High Cost Fund. The HCF award is intended to help LEAs with the financial burden of providing FAPE to a child whose needs exceed the typical needs of a child with a disability. The expectation is that the LEA is already providing the services/instruction for which they are requesting a HCF award, as identified in the child’s IEP in order to provide FAPE based on the child’s unique needs. The purpose of the HCF award is not for the LEA to provide additional services only if the LEA receives a HCF award. That is one of the reasons why TEA is changing their process to a reimbursement basis, to ensure the award is used for costs the LEA would have expended regardless of whether they receive a HCF award.]

TEA Contact: (512) 463-9414   hcf@tea.texas.gov

ESC-20 Contact: Denise Dusek (210) 370-5378   denise.dusek@esc20.net
CHANGES IN TEA GUIDANCE

Refer to the TTAA (To The Administrator Addressed) letter dated December 10, 2015, which explains two changes to the IDEA-B MOE guidance:


1. SOF (Summary of Finance) data used in the calculation for MOE analysis:
   a. Previously, the SOF dated September 10, or the first date thereafter (if there was no 9/10 SOF), for the year under determination, would be used to calculate “local only” funds.
   b. Now, TEA will use data from the first “Near Final” SOF report of September in the year under determination.

2. Exception for Decrease in Enrollment of Children with Disabilities:
   a. Previously, the LEA did not submit documentation for an assertion to use this exception. TEA automatically accounted for a decrease in the enrollment of students with disabilities in the following two ways:
      i. If the number of students with disabilities decreased, but the per-pupil expenditures remained the same or increased, the LEA would pass the per-pupil tests for determining compliance.
      ii. If the LEA had a decline in effort because the number of students with disabilities had decreased, the LEA did not have an opportunity to submit a justification. Instead, the LEA was deemed to be noncompliant (if failed all four tests). TEA implemented flexibility to reduce the refund due to TEA by the percentage of the decrease in enrollment from the preceding comparison year to the most recent year.
         1. For example, if the special education enrollment in the LEA decreased by 5% and the LEA was determined to be noncompliant, then the refund due to TEA would be decreased by 5%.
   b. Now, the LEA has an opportunity to submit an assertion of a lawful decline in fiscal effort, by providing justification and supporting documentation of the expenditures that were reduced due to the decrease in enrollment. This is good news for the LEA because it will provide greater flexibility for an allowable decline in fiscal effort, if the LEA can justify that the decrease in enrollment resulted in a reduction of expenditures! This will provide the LEA an opportunity to lower their MOE baseline/threshold going forward.
i. Some allowable reasons for a decline in fiscal effort based on a decrease in enrollment may include, but are not limited to:
   1. Special education staff reassignment to general education;
   2. Special education teacher or administrator layoff;
   3. Closure of a self-contained classroom/unit (combining/merger with another).

3. New methodology for determining compliance (Alternate Years Method):
   a. Previously, as long as you met one of the four tests, you were compliant, no matter which test you used. For example, it didn’t matter if in Year 2 you met using Test 1 and in Year 2 you failed Test 1 but passed Test 3. As long as you passed one of the tests, you were compliant. You had to compare results to the last year you were compliant with MOE, but the test being used to meet compliance could vary.
   b. Now, while you still only need to pass one of the four tests to be compliant, you must compare that specific test to the last year your LEA was compliant using that particular test. So, when you look at the test results, you look at each test separately and compare that specific test to the last year you were compliant with that particular test.

4. New format for notifying LEAs of results of analysis:
   a. While TEA will use the MOE calculation tool (available on their website) to determine the LEA’s compliance, TEA will not provide a copy of the spreadsheet when they send out their preliminary notice of compliance
   b. Instead, TEA will send a Summary Report that shows the four test results and whether the LEA passed or failed each test. The Summary Report will identify which year the LEA was compliant for each specific test.
   c. For the purpose of TEA’s analysis of FY15 compliance, TEA will compare expenditures from 2013-2014 to 2014-2015, and will assume that all LEAs were compliant in 2013-2014, thereby establishing 2013-2014 as the baseline.

5. Compliance Results will be available in GFFC (Grants and Federal Fiscal Compliance Reports), in TEASE.
   a. Make sure you have access to GFFC now so you will be able to access your summary report once issued by TEA
      i. [https://pryor.tea.state.tx.us/TEASE/apps/app_list.asp](https://pryor.tea.state.tx.us/TEASE/apps/app_list.asp)
   b. There will probably be a short timeline (maybe 10 days) to respond, so you need to be prepared in advance
   c. TEA expects to issue preliminary letters of compliance late April or early May, 2016 and to issue final letters of compliance late May or June, 2016
TEA Resources and Training Opportunities:

New resources from TEA:

- Compliance Review Flowchart (copy attached)
- Compliance Report format for Preliminary and Final MOE reports
  - In draft format now (copy attached)
- Additional guidance regarding exceptions
  - Expected to be released around April 2016

TEA staff will provide the following training:

- January 20, 2016 TCASE Learning Lab sessions (see attached TEA power point presentation)
- TETN (same presentation, offered on two separate dates) (see attached document on how to register):
  - February 9, 2016 from 10:00 am – 11:00 am  ESC-20 Workshop #PD160209-A37
  - February 11, 2016 from 1:30 pm – 2:30 pm  ESC-20 Workshop #PD160211-A37

Contact TEA: (512) 463-9127 compliance@tea.texas.gov

ESC-20 Training Opportunities:

- March 10, 2016  MOE for Special Education (In-depth Training), Workshop #PD160310-A37
- April 7, 2016  MOE Analysis for Special Education (Guided Hands-On Exercises with LEAs’ own data), Workshop #PD160407-A37

Contact Denise Dusek: (210) 370-5378  denise.dusek@esc20.net
### Expenditure and Per-capita Expenditure Comparison Amounts

**for next year’s**

**IDEA-B LEA MOE Preliminary Compliance Review**

**School Year (SY) 2015-2016**  
**(Fiscal Year 2016)**

<table>
<thead>
<tr>
<th>Test Methods</th>
<th>Test 1</th>
<th>Test 2</th>
<th>Test 3</th>
<th>Test 4</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>State and Local (S&amp;L)</td>
<td>Per-Capita S&amp;L</td>
<td>Local Only</td>
<td>Per-Capita Local Only</td>
</tr>
<tr>
<td>Last compliant SY expenditure and per-capita expenditure amounts</td>
<td>$4,128,801.00</td>
<td>$7,730.19</td>
<td>$4,308,286.00</td>
<td>$8,645.44</td>
</tr>
</tbody>
</table>

2015-2016 SY expenditure and per-capita expenditure amounts | TBD | TBD | TBD | TBD |

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**LEGEND:**

TBD: To Be Determined Spring 2017

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In this draft of the Summary Report of compliance issued by TEA, next year’s analysis will show which prior year the LEA passed each specific test.


So, in FY16, the LEA will need to compare their expenditures for Tests 1 & 2 to their 2014-2015 amounts, but test their expenditures for Tests 3 & 4 to their 2013-2014 amounts.
AU staff member creates preliminary LEA MOE calculations.

AU uploads preliminary LEA MOE calculations to Grant Federal Fiscal Compliance (GFFC) inbox.

CU staff member sends out notification that TEA has calculated preliminary LEA MOE calculation and that results are located in GFFC.

LEA used TEA Calculation Tool
1) Federal Exceptions (for any method)
2) Voluntary MOE Reduction (for any method)
3) State Reconsiderations

LEA used their own Methodology
1) Federal Exceptions (for any method)
2) Voluntary MOE Reduction (for any method)
3) State Reconsiderations
4) Supporting docs for local methodology

CU staff reviews and validates LEA responses

FFCR issues Final LEA MOE Compliance Report and uploads individual LEA results to GFFC.

FFCR issues TTAA correspondence to LEAs to notify them of Final LEA MOE Compliance Results. Notification to LEAs that are noncompliant will include information about the amount refund due.

End of process

Notification includes next steps
LEA reviews TEA preliminary calculation (this data only includes SHARS Reimbursement Form data, SOF and student count data, and PEIMS expenditure data).

Options:
(A) LEA used TEA calculation tool:
1. Preliminary results matched. LEA accepts TEA results and does not submit federal exceptions, voluntary MOE reduction, or state reconsideration. No further action is required and the preliminary results will become the final results.
2. Preliminary results matched and LEA would like to submit federal exceptions, voluntary MOE reduction or state reconsideration on any of the four methods for final calculation.
3. Preliminary results do not match, LEA should recalculate and if results still does not match then contact TEA to discuss discrepancies and further action.

(B) LEA used local methodology:
LEA should submit supporting documentation for their local methodology, which may also include federal exceptions, voluntary MOE reduction, and state reconsideration for any of the four methods.

Statutory requirement:
2) New EDGAR Title 2, CFR 200.303 (c) Internal Controls Evaluate and monitor the non-Federal entity’s compliance with statutes, regulations and the terms and conditions of Federal awards.

Federal Fiscal Compliance and Reporting
November 2015
IDEA-B LEA Maintenance of Effort

Dina Black and Dr. Kathy Lovett, Texas Education Agency
IDEA-B LEA MOE

TCASE - January 2016
Federal Fiscal Compliance and Reporting
Texas Education Agency (TEA)

Topics
- Commissioner’s rules
- Eligibility standard
- Compliance standard
- Legal basis for reducing MOE
- Compliance review process
- Enforcement
- IDEA-B LEA MOE compliance review report
- Contact and resource information

Commissioner Rules
- December 10, 2015 To The Administrator
  Addressed letter from TEA’s commissioner
  - Summary of finance (SOF) data – Use first September “Near Final” report.
  - Decrease in enrollment of children with disabilities – LEA now has flexibility to claim expenditures based on decrease of enrollment.
Eligibility Standard

- 34 CFR 300.203(a)
- Establishes eligibility for IDEA-B award for a fiscal year.
- LEA must **budget** for the education of children with disabilities at least the same amount as the LEA spent from “most recent fiscal year for which information is available”.
- Most recent fiscal year means it must be audited and final data.

Eligibility Standard (continued)

- **Budget** at least the same amount, from at least one of the following sources:
  1. Total amount of local funds only
  2. Total amount of combination of state and local funds
  3. Per capita amount of local funds
  4. Per capita amount of combination of state and local funds

Eligibility Standard (continued)

- Report **budgeted** amount on the BS6016 – Fiscal Compliance Requirements schedule of Special Education Consolidated Grant Application for the next school year.
Eligibility Standard (continued)

- **Budget** amount allows LEAs to consider exceptions and adjustment to fiscal effort the LEA:
  - "Took in the intervening year, or years between the most recent fiscal year for which information is available, and the fiscal year for which the LEA is budgeting; and
  - Reasonably expects to take in the fiscal year for which the LEA is budgeting."

Eligibility Standard (continued)

- Subsequent years rule is applicable to the eligibility standard.
- Subsequent years rule means the comparison year the LEA goes back to is the last fiscal year the LEA met compliance for that source.

Example of meeting eligibility standard:

- LEA wants to use the combination of state and local funds to meet eligibility standard for 2016-2017.
- LEA has information for 2014-2015, the most recent audited fiscal year for which information is available, but LEA failed to meet MOE in 2014-2015 using that method.
- LEA met MOE in 2013-2014 using that method.
- LEA must use 2013-2014 as comparison year if LEA wants to use this method.
Eligibility Standard (continued)

- Illustration of meeting the eligibility standard
- Budget for only one of the four methods to meet eligibility standard

<table>
<thead>
<tr>
<th>School Year (Fiscal Year)</th>
<th>Local Per capita</th>
<th>State and local funds Per capita</th>
<th>Local and State funds Per capita</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013-2014</td>
<td>$550*</td>
<td>$1,200*</td>
<td>$55*</td>
</tr>
<tr>
<td>2014-2015</td>
<td>$500**</td>
<td>$1,250*</td>
<td>$50**</td>
</tr>
<tr>
<td>2015-2016</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* = Met MOE  ** = Failed MOE

Compliance Standard

- **LEA is responsible** for meeting the compliance standard
- 34 CFR 300.203(b)
- LEA must expend for the education of children with disabilities at least the same amount as the LEA expended in the preceding fiscal year, except as provided in 300.204 (exceptions) or 300.205 (adjustment to fiscal effort).
- Preceding fiscal year means the immediate prior year.

Compliance Standard (continued)

- The comparison year for the compliance standard is the "preceding fiscal year", however, due to the subsequent years rule in 300.203(c), the comparison year means the last school year in which the LEA met MOE for that test method.
- The LEA does not have use the same source for the compliance standard as it used for the eligibility standard.
Compliance Standard (continued)

- **Expend** at least the same amount, from at least one of the following sources:
  1. Total amount of local funds only
  2. Total amount of combination of state and local funds
  3. Per capita amount of local funds
  4. Per capita amount of combination of state and local funds

Example of meeting compliance standard:
- LEA wants to use the combination of state and local funds to meet compliance standard for 2015-2016.
- The preceding fiscal year is 2014-2015, however LEA failed to meet MOE in 2014-2015 using that method.
- LEA met MOE in 2013-2014 using that method.
- LEA must use 2013-2014 as comparison year if LEA wants to use this method.

Compliance Standard (continued)

- Illustration of meeting the compliance standard
- Only one of the four methods needed to meet compliance standard

<table>
<thead>
<tr>
<th>School Year (Fiscal Year)</th>
<th>Local Funds</th>
<th>State and local funds</th>
<th>Local funds Per capita</th>
<th>State and local funds Per capita</th>
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<tbody>
<tr>
<td>2013-2014</td>
<td>$500*</td>
<td>$1,000*</td>
<td>$50*</td>
<td>$100*</td>
</tr>
<tr>
<td>2014-2015</td>
<td>$550*</td>
<td>$900**</td>
<td>$55*</td>
<td>$90**</td>
</tr>
</tbody>
</table>

Amount to expend to meet compliance standard in 2015-2016
- $550
- $1,000
- $55
- $100

*= Met MOE **= Failed MOE
Legal Basis for Reducing MOE

- 300.204 – Exceptions
  - Voluntary departure of personnel
  - Decrease in enrollment
  - Termination of an exceptionally costly program
  - Termination of costly long-term purchases
  - Assumption of cost by the federal high cost fund grant (Fund 226)

- 300.205 – Adjustment to Fiscal Effort
  - MOE Voluntary Reduction

Compliance Review Process

- TEA performs a compliance review of IDEA-B LEA MOE
  - Data sources include PEIMS expenditures, SHARS Reimbursement Form data, Summary of Finance (SOF) data, and special education student count data.
  - Review consists of three main processes:
    - Preliminary results
    - TEA review and evaluation of LEA responses
    - Final results

Compliance Review Process

- Flowchart handout
LEAs will be notified of the preliminary IDEA-B LEA MOE results when they become available in GFFC Reports and Data Collections via To The Administrator Addressed (TTAA) notification.

LEA reviews TEA preliminary IDEA-B LEA MOE results.

If the LEA used TEA's IDEA-B Calculation Tool, one of the following outcomes should apply:
1. Preliminary results matched. LEA accepts TEA results and does not submit federal exceptions, voluntary MOE reduction, or state reconsideration. No further action is required, and the preliminary results become the final results.
2. Preliminary results matched. LEA submits federal exceptions, voluntary MOE reduction, or state reconsideration for the final calculation.
3. Preliminary results do not match. LEA recalculates. If results still do not match, LEA contacts TEA to discuss discrepancies and further action.

Instead of TEA's IDEA-B Calculation Tool, the LEA may choose to use a local methodology calculation. If so, the LEA must submit supporting documentation for its local methodology, which may also include federal exceptions, voluntary MOE reduction, and state reconsideration for any of the four methods.
Compliance Review Process (continued)

- For an LEA that submits federal exceptions, voluntary MOE reduction, and state reconsideration during the preliminary results process, TEA reviews and validates LEA responses with supporting documentation to be considered in the final results.
- TEA will issue a TTAA notification of final IDEA-B LEA MOE Compliance results and availability of the final report in GFFC Reports and Data Collections.

Compliance Review Process (continued)

- Notification to noncompliant LEAs will include information about the amount refund due.
- LEA should only send refunds in response to a specific request from TEA.

Enforcement

- TEA will issue an enforcement letter to the noncompliant LEAs requesting the refund due.
- Payment must be made from non-federal funds.
- The LEA has 30 days from date of TEA’s enforcement letter to submit the refund amount.
Preliminary Compliance Report Example

Final Compliance Report Example – 1 of 2

Final Compliance Report Example – 2 of 2
Contact and Resource Information

- Division of Federal Fiscal Compliance and Reporting
  - compliance@tea.texas.gov
  - (512) 463-9127
- IDEA-B LEA Maintenance of Effort page of TEA website
  - IDEA-B LEA MOE Guidance Handbook
  - IDEA-B LEA MOE Calculation Tool and Instructions
  - Federal guidance

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TEA Training Available for LEAs:
IDEA-B LEA Maintenance of Effort (MOE)

TEA is implementing some new processes for analyzing compliance with MOE (Maintenance of Effort) and will provide a one-hour training for LEAs via TETN.

You have a choice of attending onsite at ESC-20 (register via iLearning) or viewing at your own location if your district has conferencing capability (if so, contact ESC-20’s TETN site manager, Ron Dennis, at (210) 370-5632, email ron.dennis@esc20.net) to make arrangements.

TEA TETN on IDEA-B MOE (Maintenance of Effort)

TEA is hosting two training opportunities for LEAs (ISDs and open-enrollment charter schools) interested in finding out more about the new process TEA will use to determine compliance with the IDEA-B MOE requirement.

The training will be provided through a TETN (Texas Education Telecommunications Network) presentation, titled “IDEA-B LEA Maintenance of Effort.”

If you would like to view the TETN presentation onsite at ESC-20, please register for the free session via the ESC-20 iLearning system.

If your LEA has conferencing capability and you prefer to view the TETN presentation at your own location, please contact the ESC-20 TETN site manager, Ron Dennis, at (210) 370-5632 or email ron.dennis@esc20.net to set up the session. Although registration in iLearning is not required for viewing at your own location, your LEA must contact Ron Dennis to make the arrangements.

TETN Date: February 09, 2016 OR February 11, 2016 (two choices of dates, same content being offered)

TETN Time: 10:00 a.m. to 11:00 a.m. on 2/9/16 OR 1:30 p.m. to 2:30 p.m. on 2/11/16

Presenter: TEA staff

Registration Fee: No Fee

Workshop Number:

PD160209-A37 for 2/9/11
http://portal.esc20.net/pls/apex/f?p=340:3:::NO::P3_CLASS_ID,P3_PAGE:7375274%2C1

OR

PD160211-A37 for 2/11/16
http://portal.esc20.net/pls/apex/f?p=340:3:::NO::P3_CLASS_ID,P3_PAGE:7375311%2C1
**Audience:** Applicable to business managers and special education directors. However, anyone wishing to gain an understanding of MOE for special education is welcome to attend!

**Location for viewing the TETN at the ESC-20 site:**
Frederick E. Maples, Jr. Conference Center, Building 4
ESC-20, 1314 Hines Avenue, San Antonio, TX 78208

For more information, please contact:
Denise Dusek (210) 370-5378
Email: denise.dusek@esc20.net

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To the GovDelivery subscriber addressed:

**News from the Division of Federal Fiscal Compliance and Reporting**

TEA is hosting two training opportunities for LEAs interested in finding out more about the process that TEA will soon use to determine LEAs’ compliance with the IDEA-B LEA MOE requirement.

The training will be provided through a Texas Education Telecommunications Network (TETN) presentation, called “IDEA-B LEA Maintenance of Effort,” on the following dates:

- February 9, 2016, from 10:00–11:00 a.m.
- February 11, 2016, from 1:30–2:30 p.m.

For information on how to access this TETN, contact the TETN site manager at your regional ESC.

For more information about IDEA-B LEA MOE, you may also refer to the IDEA-B LEA Maintenance of Effort page of the TEA website.

**For Further Information**

With any questions, please email compliance@tea.texas.gov.
Special Education Update

High Cost Funds (HCF)

Guidance Received from TEA Feb 1, 2016:

Greetings from the HCF Team,

In an attempt to help districts prepare for the opening of the HCF Eligibility application (still targeted for February 29th), we are sending the following guidance. Please share this with districts and charter schools that may be considering submitting a HCF Eligibility application

- The most recent APPE for Texas is $9,273. This means that a district has spent $27,820 or more to meet the educational needs of a student identified as a high need child with a disability
- Remember that a district should limit the number of applications to 2% of the population of students with disabilities in the district. Districts may ask for exceptions on a case-by-case basis. Decisions to allow additional applications will be based on availability of funds.
- A pro-rating calculator tool is attached for your use in determining whether the $27,820 threshold has been met. Please print each calculation and include the results with the application for the student.
- A HCF Cover Sheet is attached. The HCF team requires this coversheet to be completed and submitted along with the IEP and appropriate expense documentation for each child.
Texas Education Agency  
Division of Federal and State Education Policy 

High Cost Fund Application Submission Form and Checklist

Instructions for submission:

1. Local educational agency (LEA)
   - Gather all required documentation (individualized education program (IEP)/admission, review, and dismissal (ARD) reports, payroll expenditures, travel, pro-rating tool calculation documentation, etc.)
   - Complete the High Cost Fund Submission Form and Checklist
   - Review all documents for accuracy
   - Place the documents in the order listed below:
     - High Cost Fund Submission Form and Checklist (2 pages)
     - copy of ARD/IEP reports (all pages)
     - Documentation (payroll expenditures, printed pro-rating tool documentation, etc.)
   - Number all pages (submitted as one document)

2. The LEA retains one copy and submits one copy to the Texas Education Agency.

***The district representative completing this form must initial each item to assure that the information has been provided and the page number identified.***

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<th>LEA (page #)</th>
<th>Checklist Item</th>
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<td>All documents were completed, signed, reviewed for accuracy, and submitted</td>
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Commented [SK1]: IDEA uses “educational.”

Commented [jp2]: Use ARD/IEP or pick one?
High Cost Fund
Prorating Calculator

**Teachers**
- Annual Salary: 0
- # of hours per week providing services to this student: 0
- # of weeks through Aug 31 that services will be provided: 0
- Average # of additional students receiving services from this teacher at the same time as this student: 0

Prorated teacher cost for this student: **$0**

**Aides/Related/Contracted Services**
- Calculated pay per hour: 0
- # of hours per week serving this student: 0
- # of weeks through Aug 31 that services will be provided: 0
- Average # of additional students receiving services from this provider at the same time as this student: 0

Prorated service cost for this service, for this student: **$0**