SPECIAL EDUCATION REVENUE and BUDGETING

OVERVIEW

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January 22, 2019

Added slide 195; Revised slides 212 & 216 January 23, 2019

Power point available on website
www.esc20.net
>Menu
  >Administrative & Instructional Services
    >Curriculum/Instruction
    >Special Education
    >Funding & Compliance
    >Toggle titled “Revenue & Budgeting”

https://www.esc20.net/page/ci_se.FundingResources

Learning Objectives

- Participants will receive an overview of various revenue sources related to special education
- Participants will understand how their Federal IDEA-B funds and their State Special Education allotments are determined
- Participants will gain a general understanding of how to budget their revenue

Please note: Information pertaining to the Special Education grant application may change once TEA releases their new consolidated grant application for ESSA, Perkins, and IDEA.
Revenue Sources

**Federal – IDEA-B**
- Excess cost of providing services to students with disabilities
- Supplemental to other federal, state, and local funds

**State – FSP**
- Special Education Allotment
  - Supplemental services for students with disabilities (over and above services provided to all students)

**State – FSP**
- Regular Education Allotment
  - Use for all students (general ed and special ed)

**Local Funds**
- LEA's discretion for use of funds

**Foundation School Program (FSP)** are state funds used for services, materials, supplies, and equipment provided to all students. In addition, some special allotments from the FSP are designated for certain student types, such as special education, gifted and talented, etc.

Local Revenue Sources

- Tax Revenue (applicable to ISDs only)
- Donations and fund-raisers, and other private sources (applicable to ISDs and Charter Schools)
- These funds have the least amount of restrictions or guidelines for their use
  - Can be used for special education expenditures that are not allowable with federal or state funds
  - Caution! Must comply with Federal Maintenance of Effort (MOE) requirements when spending local funds on special education expenditures:
    - MOE Requirement: Each year must spend the same amount of local funds or a combination of state and local funds for special education unless you qualify for exceptions or adjustment
**State Revenue Source - Foundation School Program (FSP)**

- Foundation School Program (FSP) funds for ISDs and Charter Schools, via Summary of Finances (SOF)
- Includes specific allotments for various categories, including, but not limited to:
  - Regular Education Allotment
  - Special allotments for the following programs:
    - State Compensatory Education (SCE)
    - Bilingual Education & Special Language Programs
    - Special Education
    - Gifted and Talented Education (GT)
    - Career & Technical Education (CTE)
    - Transportation (Regular Route Services, Special Route Services, Private Route Services)
    - Extended School Year (ESY)
    - Nonpublic Day School and Nonpublic Residential Placements
    - Etc.
- TSDS/PEIMS data are used for many of the allotment calculations, so it is crucial that data entered in the system are accurate

- Caution! Must comply with Federal Maintenance of Effort (MOC) requirements when spending state and local funds on special education expenditures:
  - MOE Requirement: Each year must spend the same amount of local funds or a combination of state and local funds for special education unless you qualify for exceptions or adjustments

**State Revenue Sources: Additional Sources for Special Education**

**Via Consolidated Grant Application*:**
- State Deaf (Applicable to Fiscal Agents of Regional Day School Programs for the Deaf (RDSPO)) (Fund 435)

**Via Flow-through from ESC:**
- Visual Impairment (VI) – Some ESCs flow VI funds to certain LEAs
- Non-Educational Community-Based Support Services (Non-Ed Funds) (Certain ESCs; Certain LEAs) (Fund 392) [ESC-20 uses Fund 392-460 when flowing to their LEAs]

**Federal Revenue Sources**

**Via Consolidated Grant Application*:**
- IDEA-B Formula (Fund 224/313)
- IDEA-B Preschool (Fund 225/314)
- IDEA-B Discretionary Deaf (Fiscal Agents of RDSPO**) (Fund 315)
- IDEA-C Early Childhood Intervention (ECI) (Some Fiscal Agents of RDSPO**) (Fund 340)
  - Not to be confused with Coordinated Early Intervening Services (CEIs)

**Via separate, specific Grant applications:**
- IDEA-B Discretionary Residential (certain LEAs) (Fund 226/315)
- IDEA-B High Cost Funds (HCF) (certain LEAs) (Fund 226/315)
- IDEA-B Discretionary (certain LEAs; unusual need) (Fund 226/315)
  - Not to be confused with Discretionary Deaf or Discretionary Residential

*Subject to change when the new 2019-2020 Consolidated application (used for ESSA, Perkins, and IDEA) is released

**RDSPO = Regional Day School Programs for the Deaf**
Federal: IDEA-B Formula and Preschool

Purpose of IDEA-B Formula

IDEA-B Formula
The purpose of IDEA-B is to provide special education and related services to children with disabilities ages 3–21. The regulations implementing IDEA-B define the purpose of the act as a means to do the following:
- Ensure that all students with disabilities have available a free, appropriate public education (FAPE) that includes special education and related services to meet their unique needs.
- Ensure that the rights of students with disabilities and their parents are protected.
- Assist states and localities in providing for the education of all students with disabilities.
- Assess and ensure the effectiveness of efforts to educate these students.

These funds are awarded automatically to ISDs and Charter Schools via the Consolidated Grant application*. If the LEA is a member of a special education SSA**, the funds are awarded to the Fiscal Agent of the SSA** on behalf of the members.

*Part of the new 2019-2020 Consolidated application (used for ESSA, Perkins, and IDEA)
**SSA = Shared Services Arrangement

Purpose of IDEA-B Preschool

IDEA-B Preschool
The purpose of IDEA-B is to provide special education and related services to children with disabilities ages 3–5. In addition to the purpose of IDEA-B Formula funds, the regulations implementing the IDEA-B Preschool funds define the purpose of the act as a means to supplement and increase services beyond the level of State and local funds expended for preschool students ages 3–5 with disabilities.

- These funds may not be used to provide any services to students before their third birthday.
- However, pre-assessments may be funded with IDEA-B formula funds.
- The priority for these funds is to provide all students with disabilities ages 3–5 with a comprehensive program that meets their individual needs. These funds allow an applicant agency to expand and extend services already available to these students.

These funds are awarded automatically to ISDs and Charter Schools via the Consolidated Grant application*. If the LEA is a member of a special education SSA*, the funds are awarded to the Fiscal Agent of the SSA** on behalf of the members.

*Part of the new 2019-2020 Consolidated application (used for ESSA, Perkins, and IDEA)
**SSA = Shared Services Arrangement
Fiscal Compliance for IDEA-B

- Excess Cost
- Maintenance of Effort (MOE)
- Supplement Not Supplant

Excess Cost Provision of IDEA-B

- Federal regulations stipulate that each program must demonstrate that it meets the excess cost requirements of IDEA-B.
- The excess cost requirement prevents an LEA from using funds provided under Part B of the act to pay for all the costs directly attributable to the education of a child with a disability.
- An LEA meets the excess cost requirement if it has spent at least a minimum average amount for the education of its children with disabilities before funds under Part B of the act are used (34 CFR §300.202).

Excess Cost Provision of IDEA-B

- An Excess Cost calculation tool must be completed annually by LEAs
- The calculation is not submitted to TEA, but must be maintained locally for audit and monitoring purposes
- Additional information is available on TEA’s website at: https://tea.texas.gov/Finance_and_Grants/Grants/Federal_Fiscal_Compliance_and_Reporting/IDEA_Fiscal_Compliance/Excess_Cost/
- ESC-20 Workshop #50417 (in person); #55713 (webinar); May 2, 2019
Maintenance of Effort Provision of IDEA-B

- Under IDEA-B, 34 CFR §300.203(b) (Maintenance of Effort), IDEA-B funds must not be used to reduce the level of expenditures for the education of children with disabilities made by the LEA from local funds (local funds or the combination of state and local funds) below the level of those expenditures for the preceding fiscal year (most recent preceding year in which the LEA was compliant with MOE).

- Additional information is available on TEA’s website at: https://tea.texas.gov/Finance_and_Grants/Grants/Federal_Fiscal_Compliance/IDEA_Fiscal_Compliance/IDEA-B_LEA_Maintenance_of_Effort/

- ESC-20 Workshop #50413 (in person); #55712 (webinar); March 25, 2019

Supplement Not Supplant Provision of IDEA-B

- Under IDEA, 34 CFR §300.202(a)(3) (supplement/not supplant), IDEA-B funds must be used to supplement State, local, and other Federal funds and not to supplant those funds.
Supplement Not Supplant Provision of IDEA-B

• Before 1992, the Part B regulations included a “particular cost test” for determining whether supplanting occurred.

• This requirement meant, for example, that if an LEA spent IDEA-B funds to pay for a teacher’s salary that was previously paid for with state or local funds, a supplanting violation would occur, even though the total amount of state and local funds spent on special education is greater than the amount spent the previous year.

• At that time (prior to 1992), an LEA could maintain effort [be compliant with MOE] but still violate the supplement/not supplant provision.

The “particular cost test” was removed from the regulations by an amendment published in the Federal Register on August 19, 1992 (37 FR 37652), and that became effective on October 3, 1992.

Therefore, no requirement currently exists related to supplanting “particular costs” and if an LEA maintains local - or state and local - effort [is compliant with MOE], it will not violate the supplement/not supplant requirements of the IDEA.

However, use caution! You must still follow the general principal that expenditures applicable to all students may not be paid from IDEA-B funds.

Allowable Use of IDEA-B Funds – Formula & Preschool

• Expenditures to ensure children with disabilities have access to a free, appropriate, public education to meet each child's unique needs and prepare the child for further education, employment, and independent living

  • IDEA-B Formula for ages 3 through 21
  • IDEA-B Preschool for ages 3 through 5

• IDEA-B funds may be used to provide compensatory services

  Those services an LEA is required to provide due to the LEA’s failure to provide special education and/or related services
Allowable Use of IDEA-B Funds — Formula & Preschool

• IDEA-B funds may not be used for services or materials that are used by general education students
  - Any item that is used by general education students must be funded with a source applicable to all students
  - Any item that is used by general education students cannot be split-funded with IDEA-B funds; instead, the entire cost of the service or item must be funded with a source applicable to all students
  - IDEA-B funds may only be used for services or materials that address the unique needs of the child that results from the child's disability and are supplemental to services or materials applicable to all students
  - IDEA-B funds may not be used for administrative positions
  - IDEA-B funds may not be used for costs that would be reimbursed by SHARS (School Health and Related Services)

• Review the Program Guidelines (TEA) associated with the Special Education Consolidated Grant application for a detailed list of allowable use of funds
  - Accessible on Grant Opportunities webpage:
    [http://tea4avoswald.tea.state.tx.us/GrantOpportunities/forms/GrantProgramSearch.aspx](http://tea4avoswald.tea.state.tx.us/GrantOpportunities/forms/GrantProgramSearch.aspx)

How Funds Are Generated: IDEA-B Formula

Three components:

• **Base**: A frozen amount from federal fiscal year 1999, with certain adjustments

• **Population**: 85% of remaining funds allocated to TEA from USDE for LEAs, on the basis of the relative number of children enrolled in public and private elementary and secondary schools within the LEA's jurisdiction
  - All students aged 3-21, not just students with disabilities

• **Poverty**: 15% of remaining funds allocated to TEA from USDE for LEAs, on the basis of the relative number of children living in poverty
  - All students aged 3-21, not just students with disabilities
How Funds Are Generated: IDEA-B Preschool

Three components:

• **Base**: A frozen amount from federal fiscal year 1997, with certain adjustments

• **Population**: 85% of remaining funds allocated to TEA for LEAs, on the basis of the relative number of children aged 3-5 enrolled in public and private elementary schools within the LEA’s jurisdiction
  - All students aged 3-5, not just students with disabilities

• **Poverty**: 15% of remaining funds allocated to TEA for LEAs, on the basis of the relative number of children aged 3-5 living in poverty
  - All students aged 3-5, not just students with disabilities

How Funds Are Generated: IDEA-B Formula & Preschool

Allocations are released in two stages:

• **Planning Amount** (Initial Entitlement, previously known as Tentative Entitlement) at the beginning of the grant period

• **Final Amount** (previously known as Maximum Entitlement) around December/January

• **Carryover** (unused funds from the previous year), if any, are released at the same time as the Final entitlements

How to Apply for IDEA-B Formula and Preschool Funds

• **TEA** automatically allocates funds to LEAs via Consolidated Grant application* (in TEAL)

*TEA will release a consolidated application in 2019-2020 that will include ESSA, Perkins, and IDEA

• **LEA**:
  - Budgets the funds (indicates how the funds will be spent by budgeting in applicable class object codes, such as payroll, contracted and professional services, supplies and materials, other operating costs, capital outlay)
  - Submits the application

• **Special Education SSAs**:
  - TEA allocates funds to the Fiscal Agent of the SSA; total amount based on the sum of each member’s portion
  - Fiscal Agent performs the LEA functions listed above
Supplement Not Supplant Quiz

Your LEA met Maintenance of Effort (MOE).

The business office decides you (sped director) should be paid out of IDEA-B funds.

Is this allowable?

No. TEA does not allow administrative positions to be paid from IDEA-B funds.

Supplement Not Supplant Quiz

Your LEA met Maintenance of Effort (MOE).

The principal decides your special education program should pay for all supplies for the special education classrooms on the campus.

This includes: pencils, pens, copy paper, glue, staples, paper clips, and construction paper (all of which are provided to the general education teachers as routine supplies).

Is this allowable?
Supplement Not Supplant Quiz - Answer

Your LEA met Maintenance of Effort (MOE).

The principal decides your special education program should pay for all supplies for the special education classrooms on the campus.

This includes: pencils, pens, copy paper, glue, staples, paper clips, and construction paper (all of which are provided to the general education teachers as routine supplies).

Is this allowable?

No. Routine classroom supplies are not allowable with IDEA-B funds. Only unique items needed to implement a child's IEP are allowable; For example - jumbo pencils for grip issues and raised lined paper for VI students are allowable.

Supplement Not Supplant Quiz

Your LEA met Maintenance of Effort (MOE).

The superintendent decides to move payments for Deaf Ed services (payments to the RDSPD for which you are a member) from local funds to IDEA-B funds.

Is this allowable?

Yes. IDEA-B does not have a "particular cost test" for Supplement Not Supplant. Therefore, you may move allowable expenditures from state/local funds to federal funds without violating Supplement Not Supplant.

(Caution – when moving expenditures from state/local funds to federal funds, be careful you don’t violate MOE)

Also, it is allowable to use IDEA-B funds for your payment for Deaf Ed services from the RDSPD.
Supplement Not Supplant Quiz

Your LEA met Maintenance of Effort (MOE).

The Technology Director is purchasing interactive boards for all classrooms. You are informed that you must pay 15% of the cost from your IDEA-B funds since 15% of the classrooms are designated for special education.

Is this allowable?

Supplement Not Supplant Quiz - Answer

Your LEA met Maintenance of Effort (MOE).

The Technology Director is purchasing interactive boards for all classrooms. You are informed that you must pay 15% of the cost from your IDEA-B funds since 15% of the classrooms are designated for special education.

Is this allowable?

No. Any item that is used by general education students cannot be split-funded with IDEA-B funds; instead, the entire cost of the service or item must be funded with a source applicable to all students.

IDEA-B funds may only be used for services or materials that address the unique needs of the child that results from the child’s disability and are supplemental to services or materials applicable to all students.

Federal:
IDEA-B Discretionary Deaf
Purpose of IDEA-B Discretionary Deaf

These funds are awarded automatically to Fiscal Agents of RDSPDs and to the Texas School for the Deaf via the Consolidated Grant application.*

*Part of the new 2019-2020 Consolidated application (used for ESSA, Perkins, and IDEA). It is possible that this could change with the new consolidated application.

Allowable Use of IDEA-B Discretionary Deaf Funds

• Educational services for students ages 3-21 who are deaf or hard of hearing, enrolled in Regional Day School Programs for the Deaf (RDSPD)
• To ensure these children have access to FAPE, to meet each child’s unique needs and prepare the child for further education, employment, and independent living
• Personnel must be assigned specifically to a RDSPD
• If non-RDSPD duties are performed, that position must be split-funded with another fund source
• Personnel responsible for supervising an RDSPD must be certified in Deaf Education
• Out-of-state travel not allowed with Discretionary Deaf

Allowable Use of IDEA-B Discretionary Deaf Funds

• Review the Program Guidelines (TEA) associated with the Special Education Consolidated Grant application for detailed list of allowable use of funds

• Accessible on Grant Opportunities webpage:
  http://tea4avoswald.tea.state.tx.us/GrantOpportunities/forms/GrantProgramSearch.aspx

This could potentially change when TEA updates the new 2019-2020 consolidated application for ESSA, Perkins, and IDEA.
How Funds Are Generated: IDEA-B Discretionary Deaf

Discretionary Deaf allocations are based on the following:

1) Number of deaf students enrolled in RDSPDs, ages 3-21, in the state of Texas
2) Amounts previously allocated to individual RDSPD through IDEA-B Formula Deaf (IDEA-B Formula Deaf is no longer awarded)
3) Amounts previously allocated to individual RDSPD through IDEA-B Preschool Deaf (IDEA-B Preschool Deaf is no longer awarded)

How to Apply for IDEA-B Discretionary Deaf Funds

• TEA automatically allocates funds to RDSPD Fiscal Agents via Consolidated Grant application* (in TEAL)
  **TEA will release a consolidated application in 2019-2020 that will include ESSA, Perkins, and IDEA. It is possible this could change with the new consolidated application

• Fiscal Agent of RDSPD:
  • Budgets the funds (indicates how the funds will be spent by budgeting in applicable class object codes)
  • Submits the application

Federal:
IDEA-C Early Childhood Intervention (ECI)

Not to be confused with CEIS (Coordinated Early Intervening Services)
These funds are awarded automatically to some Fiscal Agents of RDSPDs and to the Texas School for the Deaf via the Consolidated Grant.*

*Part of the new 2019-2020 Consolidated application (used for IDEE, Perkins, and IDEA). It is possible this could change with the new consolidated application.

Allowable Use of IDEA-C (ECI) Funds

• Personnel must be assigned specifically to a RDSPD
  • If non-RDSPD duties are performed, that position must be split-funded with another fund source

• Out-of-state travel not allowed with IDEA-C (ECI)

• Field trips not allowed with IDEA-C (ECI)
Allowable Use of IDEA-C (ECI) Funds

• Review the Program Guidelines (TEA) associated with the Special Education Consolidated Grant application for detailed list of allowable use of funds
  • Accessible on Grant Opportunities webpage: http://tea4avoswald.tea.state.tx.us/GrantOpportunities/forms/GrantProgramSearch.aspx

How Funds Are Generated: IDEA-C (ECI)

IDEA-C (ECI) allocations are based on the following:

• Number of children from birth through age two who are deaf or hard of hearing and were reported on the October TSDS PEIMS snapshot from the previous year

How to Apply for IDEA-C (ECI) Funds

• TEA automatically allocates funds to applicable RDSPD Fiscal Agents via Consolidated Grant application* (in TEAL)
  *TEA will release a consolidated application in 2019-2020 that will include ESSA, Perkins, and IDEA. It is possible this could change with the new consolidated application

• Fiscal Agent of RDSPD:
  • Budgets the funds (indicates how the funds will be spent by budgeting in applicable class object codes)
  • Submits the application
Federal:
IDEA-B Discretionary Residential

Purpose of IDEA-B Discretionary Residential

Purpose of Program

- Individuals with Disabilities Education Act (IDEA)-B Discretionary Residential Grant funds are dedicated to cover the balance of the residential contract placement costs that exceed other available funds. The local tax share per average daily attendance, and 25% of the district’s IDEA-B insecure base on the cost of living (or an equivalent amount of State and/or local funds) for related services and residential costs (Texas Administrative Code [TAC] 84.66 Subchapter D).

- Applicable to students with Instructional Setting Code of 50
- TEA performs a calculation to determine how much of the placement cost should be covered from the LEA's residential set-aside, local tax share, and other available funds
- If these fund sources do not cover the entire amount of the placement costs, TEA will award a Discretionary Residential award for the shortfall

These funds are awarded to certain LEAs that qualify for the award

Allowable Use of IDEA-B Discretionary Residential Funds

- Student's ARD committee determines residential placement is necessary for the student to receive FAPE
- Funds may also be approved to assist LEAs to return students from residential placement to their home districts
- Residential costs cannot exceed the daily rate recommended by the Texas Department of Family and Protective Services for the specific level of care in which the student is placed
- Residential facilities that provide educational services must have their educational programs approved for contracting purposes by the commissioner of education
- Approved list on TEA's website:
  [https://tea.texas.gov/Academics/Special_Student_Populations/Special_Education/Programs_and_Services/Nonpublic_Placement_Notification_and_Application/](https://tea.texas.gov/Academics/Special_Student_Populations/Special_Education/Programs_and_Services/Nonpublic_Placement_Notification_and_Application/)
How Funds Are Generated: IDEA-B Discretionary Residential Funds

- All LEAs must submit a Student Residential Placement application to TEA via the “Nonpublic/High Cost Funds” in TEAL for all students who are placed in a residential facility by the ARD/IEP committee.
- Data are used to generate state FSP funds and to determine whether the LEA will receive a Discretionary Residential award.
- The cost of residential contracts are funded from a combination of sources:
  - Education Cost: State FSP (Foundation School Program) on the same basis as nonpublic day school contract costs
  - Related services and residential costs:
    - Other available funds
    - Local tax share per average daily attendance
    - 25% Residential Set-Aside
- Discretionary Residential (IDEA-B) funds pay for the remainder of costs if the sources listed above are not sufficient to cover all the costs of the placement.

How Funds Are Generated: IDEA-B Discretionary Residential

- TEA determines the portion of the residential placement cost to be paid from other required sources (Residential Set-Aside, Local Tax Share, State FSP Education Cost, other available sources).
- If the other fund sources are not sufficient to fully cover the cost, the remaining balance will be the amount of the Discretionary Residential award.

Example of LEA that doesn't qualify for Discretionary Residential Award:

Example of LEA that qualifies for Discretionary Residential Award:

How to Apply for IDEA-B Discretionary Residential Funds

Two-part Process:
1) Submit Student Residential Placement application via “Nonpublic/High Cost Funds” in TEAL

This application is required for all Residential placements, regardless of whether you are seeking a Discretionary Residential award.

- The Fiscal Agent of a Special Education SSA submits on behalf of their members.
How to Apply for IDEA-B Discretionary Residential Funds

- TEA reviews and approves the Student Residential Placement application, if all requirements are met
- TEA approval is not an approval for placement; that is an ARD decision
- Instead, the purposes of the submittal of the Residential Placement application in TEAL are:
  - To obtain TEA approval for funding
  - To meet the requirement that LEAs must notify TEA of the decision to place a student in a residential nonpublic school
- Once approved, the LEA will receive a notification from TEA
  - Notification includes:
    - Breakdown of the various fund sources to use for the residential placement costs
    - Notification of whether the LEA qualifies for a Discretionary Residential award

Two-part Process:

2) If the notification indicates the LEA is eligible for a Discretionary Residential award, the LEA must initiate the “IDEA-B Discretionary Residential Grant Application” in TEAL
   - Open/initiate the application once available (Fiscal Agents of Special Education SSAs submit on behalf of their members)
   - Budget the allocation in class object code 6200 (Professional and Contracted Services)
   - Certify and submit the application

Federal:
IDEA-B High Cost Funds (HCF)
Purpose of IDEA-B High Cost Funds (HCF)

The IDEA-B High Cost Funds (HCF) are intended to address the financial impact specific high need children with disabilities have on the budget of the LEA. The cost of educating the child must be greater than three times the average per pupil expenditure (APPE) to qualify as a High-Need Child. (In 2017-2018, the High-Need Child Qualifying Cost was $30,201)

These funds are awarded to certain LEAs that qualify for the award.

Student Eligibility as a High Need Student

• The student with disabilities’ Total Costs listed on the application must be at least $30,000* (more than three times the APPE)
  *The qualifying amount based on APPE for the state of Texas varies each year
  • 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 the student is a High-Need Child
  • If the High-Need Child is also a Residential Nonpublic student (Instructional Setting Code 50), the amount considered for a HCF award is limited to a portion of the 25% residential set-aside applicable to the specific student (if the 25% set-aside exceeds three times the state’s APPE)
  • That amount will be considered the child’s “Total Cost” for HCF purposes
  • If the High-Need Child is also enrolled in Nonpublic Day School (NPDS) (Instructional Setting Code 60), the amount considered for a HCF award is limited to a portion of the NPDS cost (if the NPDS total expenses exceed three times the state’s APPE)

LEA Eligibility to Request a High Cost Fund (HCF) Award

• The LEA has ensured placements supported by funds requested through a HCF award reimbursement are consistent with the requirements of 34 CFR 300.114 – 300.118 (Least Restrictive Environment)
  • The LEA must not have lapsed IDEA-B Formula or Discretionary 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 school year
Allowable Use of IDEA-B High Cost Funds (HCF)

• Costs for specific student(s) documented in the High Cost Fund Eligibility Application, and approved by TEA
  • Must not use HCF funds to support other activities that were not approved in the High Cost Fund Eligibility application
  • All costs must have been incurred during the current school year
  • Transportation costs are limited to eligible excess transportation costs (determined by using the excess transportation costs calculator in the HCF Eligibility application)

Allowable Use of IDEA-B High Cost Funds (HCF)

• May not be used 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
  • May not be used for costs that would be reimbursed by SHARS (School Health and Related Services)
    • The SHARS Reimbursement amount may be included in the Total Costs used for qualifying as a High-Need Child, but that amount will be subtracted from the award
  • May not be used to support activities that were not identified in the HCF Eligibility application

How Funds Are Generated: IDEA-B High Cost Funds (HCF)

• TEA reviews and approves HCF Eligibility applications submitted by LEAs
• The state average per-pupil expenditure (APPE) amount (approx. $10,000) will be subtracted from the award amount
  • In 2017-2018, the state’s APPE was $10,067
• The LEA’s anticipated SHARS (School Health and Related Services) reimbursement for the specific student will be subtracted from the award amount for that student
How Funds Are Generated: IDEA-B High Cost Funds (HCF)

• TEA will award based on the availability of funds
  • If the amount of requests received from LEAs in Texas exceed the amount of funds TEA has available, the HCF awards for each LEA will be prorated with a weighted formula:
    • In-district High-Need students will carry the highest weight,
    • Followed by Nonpublic Day School students,
    • Then Residential Nonpublic students

How to Apply for IDEA-B High Cost Funds (HCF)

Submit High Cost Fund Eligibility application via “Nonpublic/High Cost Funds” in TEAL

Last year, the HCF Eligibility Application opened in March and closed in May

• This application is optional. Submitted only by LEAs requesting High Cost Funds.
• The Fiscal Agent of a Special Education SSA submits on behalf of their members

TEA reviews the High Cost Fund Eligibility application

• The LEA will receive notification from TEA, noting approval or denial of High Cost Fund award
• If the LEA receives an award, the award amount will be automatically direct deposited into your LEA’s bank account
  • No longer need to submit an eGrants application to budget the funds, as in the past
    • Previously this was a two-step process of first submitting the High Cost Fund Eligibility application to request an award and then submitting an eGrants application to budget the funds after being notified of the award
    • No need to draw down via the Expenditure Reporting (ER) system because the funds will already be in your bank account
IDEA-B High Cost Funds (HCF)

- Additional information is available on the TEA website:
  https://tea.texas.gov/Academics/Special_Student_Populations/Special_Education/Programs_and_Services/Special_Education_Funding/High_Cost_Funds/

Federal: IDEA-B Discretionary

Not to be confused with IDEA-B Discretionary Deaf or Discretionary Residential

Purpose of IDEA-B Discretionary

(Not to be confused with Discretionary Deaf or Discretionary Residential)

**Program Description**
Discretionary funds are provided for specifically approved requests. The notification letter from TEA will provide a description of the program and how the funds are to be used.

These awards are typically given for unusual circumstances and/or one-time events that cause a financial burden on the LEA in the provision of special education and related services.

These funds are awarded to certain LEAs that qualify for the award.
Allowable Use of IDEA-B Discretionary Funds
(Not to be confused with Discretionary Deaf or Discretionary Residential)

• The award letter will indicate allowable use of funds

How Funds Are Generated: IDEA-B Discretionary Funds
(Not to be confused with Discretionary Deaf or Discretionary Residential)

• TEA reviews an LEA’s request for a Discretionary award and determines the amount that will be awarded

How to Apply for IDEA-B Discretionary Funds
(Not to be confused with Discretionary Deaf or Discretionary Residential)

Two-part Process:
1) Submit a letter of request to TEA (Special Populations Division)
   • Explain the need and extenuating circumstances
   • List each expense item and associated dollar amount for the requested costs

   • This application is optional. Submitted only by LEAs requesting a Discretionary award due to special, extenuating circumstances
   • The Fiscal Agent of a Special Education SSA may submit the letter on behalf of their member
How to Apply for IDEA-B Discretionary Funds
(Not to be confused with Discretionary Deaf or Discretionary Residential)

• TEA reviews the letter

• The LEA will receive a letter from TEA, notating approval or denial of a Discretionary award

Two-part Process:

2) If the letter indicates the LEA is eligible for a Discretionary award, initiate the “Special Education IDEA-B Discretionary Grant” application in TEAL

- Open/initiate the application once available (Fiscal Agents of Special Education SSAs submit on behalf of their members)
- Budget the allocation in appropriate class object codes, based on the approved costs notated in the TEA approval letter
- Certify and submit the application

Reflection

• Which of these federal funds do you typically receive?
  - IDEA-B Formula and Preschool
  - Are you a Fiscal Agent of a Regional Day School Program for the Deaf (RDSPD)?
  - High Cost Fund?
  - Discretionary Residential?
  - Have you ever requested and received a discretionary award based on an extenuating need?
Purpose of State Deaf

The purpose of State Deaf funds is to provide educational services for students who are deaf or hard of hearing enrolled in Regional Day School Programs for the Deaf (RDSPD). RDSPD State Foundation School Program funds are allocated to RDSPD Fiscal Agents for the purpose of providing educational services, including continuing diagnosis and evaluation, counseling, and teaching, for students who are deaf or hard of hearing (TEC §510.08(b)).

These funds are awarded automatically to Fiscal Agents of RDSPDs via Consolidated Grant application*

*Part of the new 2019-2020 Consolidated application (used for ESSA, Perkins, and IDEA). It is possible this could change with the new consolidated application.

Allowable Use of State Deaf Funds

- Expenditures by RDSPDs to provide a suitable education to deaf or hard of hearing students who are under 21 years of age to assure that those students have the opportunity to become independent citizens
- Direct instructional services, student assessment, related services, staff development, and other student services are permissible uses of State Deaf funds
- Personnel must be assigned specifically to a RDSPD
  - If non-RDSPD duties are performed, that position must be split-funded with another fund source
- Secretarial/Clerical staff allowable with State Deaf funds
- Out-of-state travel not allowed with State Deaf
Allowable Use of State Deaf Funds

- Review the Program Guidelines (TEA) associated with the Special Education Consolidated Grant application for detailed list of allowable use of funds
- Accessible on Grant Opportunities webpage:
  
  http://tea4avoswald.tea.state.tx.us/GrantOpportunities/forms/GrantProgramSearch.aspx

How Funds Are Generated: State Deaf

Appropriation to RDSPD Fiscal Agents are based on the number of weighted full-time equivalent students served

Funding is limited to eligible students ages birth through 21 years who have a hearing impairment that severely impairs the processing of linguistic information through hearing, with or without amplification, and adversely affects educational performance (TAC 89.1080)

How to Apply for State Deaf Funds

- TEA automatically allocates funds to RDSPD Fiscal Agents via Consolidated Grant application* (in TEAL)

  *TEA will release a consolidated application in 2019-2020 that will include ESSA, Perkins, and IDEA.
  It is possible this could change with the new consolidated application

- Fiscal Agent of RDSPD:
  - Budgets the funds (indicates how the funds will be spent by budgeting in applicable class object codes)
  - Submits the application
State (FSP): Special Education Allotment
FSP = Foundational School Program

Purpose of State (FSP) Special Education Allotment

- Special allotment from the Foundation School Program (FSP*) to provide supplemental services, materials, and equipment for students with disabilities

*The purpose of the FSP is to guarantee that LEAs have adequate resources to provide each eligible student a basic instructional program and facilities suitable to the student’s educational needs

These funds are awarded to ISDs and Charter Schools via SOF (Summary of Finances)

Allowable Use of State (FSP) Special Education Allotment

Allowable use of State Special Education allotment found in TAC 89.1125
Allowable Use of State (FSP) Special Education Allotment

(a) Persons paid from special education funds shall be assigned to instructional or other duties in the special education program and/or to provide support services to the regular education program in order for students with disabilities to be included in the regular program. Support services shall include, but not be limited to, collaborative planning, co-teaching, small group instruction with special and regular education students, direct instruction to special education students, or other support services determined necessary by the admission, review, and dismissal (ARD) committee for an appropriate program for the student with disabilities. Assignments may include duties supportive to school operations equivalent to those assigned to regular education personnel.

(b) Personnel assigned to provide support services to the regular education program as stated in subsection (a) of this section may be fully funded from special education funds.

(c) If personnel are assigned to special education on less than a full-time basis, except as stated in subsection (a) of this section, only that portion of time for which the personnel are assigned to students with disabilities shall be paid from state special education funds.

(d) State special education funds may be used for special materials, supplies, and equipment which are directly related to the development and implementation of individualized education programs (IEPs) of students and which are not ordinarily purchased for the regular classroom. Office and routine classroom supplies are not allowable. Special equipment may include instructional and assistive technology devices, audiovisual equipment, computers for instruction or assessment purposes, and assessment equipment only if used directly with students.
Allowable Use of State (FSP) Special Education Allotment

(e) State special education funds may be used to contract with consultants to provide staff development, program planning and evaluation, instructional services, assessments, and related services to students with disabilities.

(f) State special education funds may be used for transportation only to and from residential placements.

Prior to using federal funds for transportation costs to and from a residential facility, a district must use state or local funds based on actual expenses up to the state transportation maximum for private transportation contracts.

(g) State special education funds may be used to pay staff travel to perform services directly related to the education of eligible students with disabilities. Funds may also be used to pay travel of staff (including administrators, general education teachers, and special education teachers and service providers) to attend staff development meetings for the purpose of improving performance in assigned positions directly related to the education of eligible students with disabilities.

In no event shall the purpose for attending such staff development meetings include time spent in performing functions relating to the operation of professional organizations.

Funds may also be used to pay for the joint training of parents and special education, related services, and general education personnel.


the LEA may not divert state special education funds for other purposes, other than administrative costs as defined in TAC 105.11:

➢ TAC 105.11: No more than 48% of the LEA’s FSP (Foundation School Program) special allotment for special education may be spent on indirect costs http://texreg.sos.state.tx.us/public/readtac.aspx?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=19&pt=2&ch=105&rl=11
Allowable Use of State (FSP) Special Education Allotment

• In accordance with TAC 89.1121:
  ➢ Although state special education allotments are generated by instructional arrangements, the funds may be spent on the overall special education program and are not limited to the instructional arrangement which generated the funds
  ➢ The LEA must maintain separate accountability for the total state special education program fund within the general fund (Fund 199/420)
    ✓ Use Program Intent Code (PIC) 23 Special Education and/or PIC 33 Pre-K Special Education

How Funds Are Generated: State (FSP) Special Education Allotment

Distribution of State Special Education allotment explained in TAC 89.1121

• The State Special Education Allotment is a combination of the Regular Special Education Allotment and the Mainstream Special Education Allotment
• Regular Special Education Allotment is calculated differently than Mainstream Special Education
• Mainstream Special Education generates more funding than Regular Special Education

How Funds Are Generated: State (FSP) Special Education Allotment

• Funds are distributed to LEAs on the basis of ADA (Average Daily Attendance) of full-time equivalents of eligible students served
  • Special education attendance is converted to contact hours by instructional arrangement and then to full-time equivalents (FTEs)
    ✓ TSSS PERMS performs the calculation
    ✓ Total contact hours generated per week is divided by 30 to determine FTEs
    ✓ Contact hours for any one student may not exceed six hours/day or 30 hours/week for funding purposes
  • The FTE for each instructional arrangement is multiplied by the LEA’s ABA (Adjusted Basic Allotment) or AA (Adjusted Allotment)
    • Charter Schools’ AA is derived from a state average AA
    • The result is then multiplied by the weight for the instructional arrangement as prescribed in TEC 42.151(a)

*Not applicable to Mainstream Special Education Instructional Arrangement
How Funds Are Generated: State (FSP) Special Education Allotment

**Mainstream Special Education Allotment Calculation:**

- Funding for the *mainstream* special education allotment is calculated differently than the other (special education) instructional arrangements as described in the previous slide:
  - The attendance must **not** be converted to contact hours/full-time equivalents (FTEs) as other instructional arrangements
  - Instead, *mainstream* special education allotment is only based on the ADA (Average Daily Attendance) of the students in this instructional arrangement multiplied by the ABA or AA and the 1.1 weight

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Weights for Special Education Instructional Arrangements located in TEC 42.151 and Student Attendance Accounting Handbook:

- [http://www.statutes.legis.state.tx.us/Docs/ED/htm/ED.42.htm](http://www.statutes.legis.state.tx.us/Docs/ED/htm/ED.42.htm)

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Example: Funds Encouraged by the Student of Adjunct Aide (AAA) = $3,088

<table>
<thead>
<tr>
<th>Instructional Arrangements</th>
<th>Resident</th>
<th>Mainstream</th>
</tr>
</thead>
<tbody>
<tr>
<td>A1 Speech Therapy</td>
<td>2,000</td>
<td>1,000</td>
</tr>
<tr>
<td>A1 Speech Therapy (A1)</td>
<td>2,000</td>
<td>1,000</td>
</tr>
<tr>
<td>A1 Speech Therapy (A1A)</td>
<td>2,000</td>
<td>1,000</td>
</tr>
<tr>
<td>A1 Speech Therapy (A1A2)</td>
<td>2,000</td>
<td>1,000</td>
</tr>
<tr>
<td>A1 Speech Therapy (A1A2A)</td>
<td>2,000</td>
<td>1,000</td>
</tr>
<tr>
<td>A1 Speech Therapy (A1A2A3)</td>
<td>2,000</td>
<td>1,000</td>
</tr>
<tr>
<td>A1 Speech Therapy (A1A2A3A)</td>
<td>2,000</td>
<td>1,000</td>
</tr>
<tr>
<td>A1 Speech Therapy (A1A2A3A4)</td>
<td>2,000</td>
<td>1,000</td>
</tr>
</tbody>
</table>

Total: $3,088
Reflection/Activity

• Locate the State SPED Estimation Worksheet located on the flashdrive provided to participants attending in person
• Experiment with entering data in the yellow cells to see the impact it makes on the funds generated

Worksheet is also available on the ESC-20 webpage:
www.esc20.net
>Menu >Administrative & Instructional Services >Curriculum/Instruction
>Special Education >Funding & Compliance >Revenue & Budgeting
https://www.esc20.net/page/ci_se.FundingResources

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How to Apply for State (FSP) Special Education Allotment

• No application required
• The allocation is included in the Summary of Finances (SOF) generated by TEA


<table>
<thead>
<tr>
<th>Tier 1 Allotments</th>
<th>LPE</th>
<th>Final</th>
</tr>
</thead>
<tbody>
<tr>
<td>21 (1) Regular Program Allotment</td>
<td>699,000-491</td>
<td>699,000,791</td>
</tr>
<tr>
<td>30 (2) Special Education Adjusted Expenditure</td>
<td>882,011,000</td>
<td>882,705,000</td>
</tr>
</tbody>
</table>

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Summary of Finances (SOF)

• The Summary of Finances (SOF) is a report that TEA produces for each LEA
  • Describes funding elements and Foundation School Program (FSP) state aid
  • TEA produces several SOF reports throughout the school year, updating the information in the report as new data become available
  • As the school year progresses and more current data are reported to TEA, the information is revised
  • TEA distributes funds to the LEA, based on estimates in the Preliminary SOF, through a schedule of payments from September through August
  • Preliminary SOF is produced in the summer before the school year begins
    • 2018-2019 school year’s Preliminary SOF = June 2018
Summary of Finances (SOF)

- At the end of the state’s fiscal year, TEA calculates the amount the LEA actually earned for the year, based on ADA, special program counts, and tax collections.
- A reconciliation (settle-up process) then takes place to determine whether the LEA was over- or under-paid.
  - “Near-Final” settle-up process occurs in September for the prior school year.
  - 2018-2019 school year’s Near-Final SOF = Sept 2019
  - “Final” settle-up process occurs during the following April or May.
  - 2018-2019 school year’s Final SOF = April 2020
- Therefore, do not base budgets and expenditures for the school year on Preliminary SOFs.
- Instead, use an electronic template (Omar’s template) available on the ESC-13 website to calculate allotments.
  
http://www4.esc13.net/finance/
Purpose of State (FSP) Regular Education Allotment

- Special allotment from the Foundation School Program (FSP*) to provide services, materials, and equipment to all students

*The purpose of the FSP is to guarantee that LEAs have adequate resources to provide each eligible student a basic instructional program and facilities suitable to the student’s educational needs

These funds are awarded to ISDs and Charter Schools via SOF (Summary of Finances)

Allowable Use of State (FSP) Regular Education Allotment

- Expenditures that provide a basic level of education for all the LEA’s students

How Funds Are Generated: State (FSP) Regular Education Allotment

- The LEA’s AA (Adjusted Allotment) is multiplied by the LEA’s number of students in ADA (Average Daily Attendance) who are not receiving special education services or career and technical education

  \[ \text{Regular program allotment} = \text{AA} \times \text{regular education ADA} \]

- Basic Allotment per student in ADA for 2017-2018 begins at $5,140
  - This amount is increased for LEAs’ cost of education index and also increased if the LEA qualifies as small district or mid-size district

Charter schools Tier I allotments are calculated using the state average adjusted allotment; Small district and mid-size district funding increases are already factored in
How to Apply for State (FSP) Regular Education Allotment

- No application required
- The allocation is included in the Summary of Finances (SOF) generated by TEA
  

<table>
<thead>
<tr>
<th>Tier 1 Allotments</th>
<th>LPS</th>
<th>NF</th>
</tr>
</thead>
<tbody>
<tr>
<td>24 - Regular Program Allotment</td>
<td>$319,000-499</td>
<td>$291,620,127</td>
</tr>
<tr>
<td>25 - District Education-Related Allotment (spend 52% of amount)</td>
<td>$13,621,460</td>
<td>$51,749,201</td>
</tr>
</tbody>
</table>

* Refer to the previous slides in the State Special Education Allotment section regarding the various payment cycles of the SOF

State (FSP): Transportation Allotment: Regular Route Services

FSP = Foundational School Program

Purpose of State (FSP) Transportation Allotment: Regular Route Services

- Provide transportation of regular-program* students to school at the beginning of the school day and from school at the end of the school day, and
- Provide transportation of regular-program* students during the school day to attend required academic courses that are not offered at the students' campus of attendance

*Regular-program students are students who do not require specialized transportation to access their academic program

These funds are awarded to ISDs and Charter Schools via SOF (Summary of Finances)
Allowable Use of State Transportation Regular Route Services Funds

Your school district may transport students to and from school at the beginning of the school day and from school at the end of the school day for the following types of regular program students:

- a student who lives two or more miles from the student’s campus of regular attendance
- a student who lives in a hazardous traffic area, as designated by your school board, that lies within two miles of the student’s campus of regular attendance
- a student who is transported to or from a grandparent’s home that:
  - is designated by the student’s parent,
  - is two or more miles from the student’s campus of regular attendance or is in a hazardous traffic area,
  - is at a district-approved stop on a district-approved route in accordance with your school board’s policy.

Important: It is your district’s responsibility to determine whether a home meets these requirements. Your district may not report transportation to and from such a home until it has determined that the home meets these requirements.

- a student who is transported to or from a state-recognized child care facility that:
  - is designated by the student’s parent,
  - is two or more miles from the student’s campus of regular attendance or is in a hazardous traffic area,
  - is at a district-approved stop on a district-approved route in accordance with your school board’s policy.

Important: It is your district’s responsibility to determine whether the child care facility meets these requirements. Your district may not report transportation to and from such a facility until it has determined that the facility meets these requirements.

- a student whose grade level your district does not provide and whom your district transports to and from a neighboring district for educational services that are provided through an agreement between the districts.

- is the result of a natural disaster; the commissioner may allow your district to include route mileage for students whose campus is not operational and whom your district transports to and from a neighboring district for educational services.

Allowable Use of State Transportation Regular Route Services Funds

- a student who:
  - has been identified as homeless or a foster child by your district’s coordinator,
  - is being transported to or from a school of origin or the last campus the student attended;
  - is at the time of the student’s identification as homeless or a foster child, resides two or more miles from the campus to which the student is being transported (school of origin or last campus attended) or resides in a hazardous traffic area within two miles of the campus.

Homeless/foster students transported back to the school of origin or last campus attended in a neighboring district are not considered inter-district voluntary transfer students.

Note: Direct questions about identifying homeless students to the Texas Homeless Information Office (1-800-919-1111). Transportation from school at the end of the day includes any transportation from school to home that your district provides for students who stay after school for summer school, after-school programs, or other purposes. Please use the examples provided in [Chart: Don’t Miss District Demographics, Average Daily Attendance for a School] to ensure that your district avoids double-counting of students in average daily attendance in providing this transportation.
How Funds are Generated: State Transportation Regular Route Services

LEA provides TEA with transportation program information through two annual reports submitted at the completion of the school year:

• School Transportation Route Services Report, and
• School Transportation Operations Report

Refer to the School Transportation Allotment Handbook for information:
https://tea.texas.gov/Finance_and_Grants/State_Funding/State_Funding_Reports_and_Data/School_Transportation_Funding/

How Funds are Generated: State Transportation Regular Route Services

Your district’s funding for regular route services is calculated by multiplying the district’s total eligible regular-route-service mileage by its per-mile rate for regular route services. If this amount is more than 110 percent of the amount of funding attributable to two-or-more-mile-only service, funding is reduced so that it does not exceed that limit. (The Route Services Report automatically determines your district’s maximum program allotment based on entered mileage.)

The per-mile rate for regular route services for a school year is determined using your district’s effective linear density and its cost per mile for the preceding school year. The Route Services Report calculates your district’s effective linear density and per-mile rate automatically.

Effective linear density is calculated by dividing the total average daily ridership attributable to students who live two or more miles from campus by the total eligible mileage attributable to transporting those students to and from school. Average daily ridership is annualized by multiplying it by 360 before dividing by annual mileage. (For purposes of calculating linear density, 180 days is used for every district regardless of the number of days the district’s routes actually operated.)
State (FSP): Transportation Allotment: Special Route Services

FSP = Foundation School Program

Purpose of State (FSP) Transportation Allotment: Special Route Services

- Provide transportation of special-program* students to school at the beginning of the school day and from school at the end of the school day
- Provide transportation of special-program* students to attend:
  - Prescribed services during the regular school year and school day
  - Extended school year (ESY) services required by the students' IEPs

*Special-program students are students with disabilities (with IEPs or Section 504 accommodations plans) who require specialized transportation to access their academic program and certain other related services

If a student with a disability does not require specialized transportation to participate in his/her education program, the student is considered a regular-program student for transportation purposes.

These funds are awarded to ISDs and Charter Schools via SOF (Summary of Finances)
Allowable Use of State Transportation Special Route Services Funds

Special Route Services: Transportation to and from School
Your district may report specialized transportation of a special program student to the student’s campus of attendance at the beginning of the school day and from the student’s campus of attendance at the end of the day, during the regular school year, if the student’s IEP or Section 504 accommodations plan requires this transportation. The student’s campus of attendance may be a campus in a neighboring district or a regional day school, as specified in the student’s IEP by the student’s IEP committee.

Transportation to ESY services must not be reported as transportation to and from school. It must be reported as transportation for ESY services.

Allowable Use of State Transportation Special Route Services Funds

Special Route Services: Transportation for Auxiliary or ESY Services
Your district may report:
- Specialized transportation of a special program student during the regular school year and school day for the student to receive:
  - educational services, including community-based instruction, required by the student’s IEP or Section 504 accommodations plan or
  - noninstitutional support services, such as developmental or corrective supplementary services, including health exams, diagnostic testing, counseling, and therapy, required by the student’s IEP and
- Specialized transportation of a special program student to and from IEP or Section 504 ESY services (these services may be provided during the summer).

Transportation for ESY services includes transportation to school at the beginning of the student’s school day and from school at the end of the day.

How Funds are Generated: State Transportation Special Route Services

LEA provides TEA with transportation program information through two annual reports submitted at the completion of the school year:
- School Transportation Route Services Report, and
- School Transportation Operations Report

Refer to the School Transportation Allotment Handbook for information:
https://tea.texas.gov/Finance_and_Grants/State_Funding/State_Funding_Reports_and_Data/School_Transportation_Funding/
How Funds are Generated: State Transportation Special Route Services

- Funding for special route services is calculated by multiplying the LEA's total eligible special-route-service mileage by its per-mile rate for special route services.
- This rate is the lesser of $1.08 or the LEA's cost per mile for special route services for the preceding year.

Portion of costs not covered by state funds may be paid from IDEA-B for sped students.

State (FSP): Transportation Allotment: Private Route Services

FSP = Foundation School Program

Purpose of State (FSP) Transportation Allotment: Private Route Services

- Provide transportation to school at the beginning of the school day and from school at the end of the school day by privately owned or commercial transportation for regular- and special-program students whom your LEA determines to be eligible.
Allowable Use of State Transportation Private Route Services Funds

In the case of private route services, an eligible regular program student is one whom your district has determined is experiencing extreme hardship in getting to and from school because the student:

- resides in a geographically isolated area two or more miles from the nearest available school bus route (as measured along the shortest route that may be traveled on public or private roads) and
- lives two or more miles from his or her home campus (as measured along the shortest route that may be traveled on public roads).

How Funds are Generated: State Transportation Private Route Services

LEA provides TEA with transportation program information through two annual reports submitted at the completion of the school year:

- School Transportation Route Services Report, and
- School Transportation Operations Report

Refer to the School Transportation Allotment Handbook for information:
https://tea.texas.gov/Finance_and_Grants/State_Funding/State_Funding_Reports_and_Data/School_Transportation_Funding/
How Funds are Generated: State Transportation Private Route Services

• Funding for private route services is calculated by multiplying the LEA’s total eligible private-route-service mileage by $0.25, not to exceed a maximum of $816 per eligible student rider.

• Federal law requires that the transportation of special-program students be provided at no actual cost to the student or parent.
  - Therefore, the rate per mile that your LEA reimburses parents or parents’ agents may exceed the per-mile amount your LEA is eligible to receive.
  - The amount your LEA reimburses parents or their agents must not exceed their actual costs.

How to Apply for All State Transportation Funds (Regular Services, Special Services, Private Services Routes)

• The transportation allocation is included in the Summary of Finances (SOF) generated by TEA.

<table>
<thead>
<tr>
<th>Transportation Allocation</th>
<th>LEA</th>
<th>NF</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Regular</td>
<td>$4,501,217</td>
<td>$4,501,217</td>
</tr>
<tr>
<td>2. Middle</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>3. Special Education</td>
<td>$2,097,000</td>
<td>$2,097,000</td>
</tr>
<tr>
<td>4. Career &amp; Technology Education</td>
<td>$316,500</td>
<td>$316,500</td>
</tr>
<tr>
<td>5. Total Transportation</td>
<td>$9,894,717</td>
<td>$9,894,717</td>
</tr>
</tbody>
</table>

State (FSP): Extended School Year (ESY)

FSP = Foundation School Program
Purpose of State (FSP) Extended School Year (ESY)

Extended School Year (ESY) services are an individualized instructional program for eligible students with disabilities that is provided beyond the regular school year. The need for ESY services must be determined on an individual basis by the admission, review, and dismissal (ARD) committee. The individualized education program (IEP) developed for ESY must include goals and objectives.

The need for ESY services must be documented from formal informal evaluations provided by the district or the parents. If a student requires a significant amount of time to reacquire acquired critical skills, then the ARD committee must discuss whether the student needs extended educational or related services during school breaks. If the loss of acquired critical skills would be permanent, severe, or substantial, or if such loss results, or reoccurrence may be expected to result in immediate physical harm to the student or to others. ESY services may be justified without consideration of the period of time for reacquisition of such skills.

Allowable Use of State Extended School Year (ESY) Funds

- Allowable use of ESY funds is described in TAC 89.1065

Extended school year (ESY) services are defined as an individualized instructional program beyond the regular school year for eligible students with disabilities.

1. The need for ESY services must be determined on an individual basis by the admission, review, and dismissal (ARD) committee in accordance with 34 Code of Federal Regulations (CFR), §300.109, and the provisions of this section. In determining the need for and in providing ESY services, a school district may not:

   A. limit ESY services to particular categories of disability; or
   B. unreasonably limit the type, amount, or duration of ESY services.

2. The need for ESY services must be documented from formal or informal evaluations provided by the district or the parents. The documentation must demonstrate that in one or more critical areas addressed in the current individualized education program (IEP) goals and objectives, the student has exhibited, or reasonably may be expected to exhibit, severe or substantial regressions that cannot be reacquired within a reasonable period of time. Severe or substantial regressions means that the student has been, or will be, unable to maintain or more acquire critical skills in the absence of ESY services.
Allowable Use of State Extended School Year (ESY) Funds

(4) A skill is critical when the loss of that skill results, or is reasonably expected to result, in any of the following occurrences during the first eight weeks of the next regular school year:

(A) Placement in a more restrictive instructional arrangement;
(B) Significant loss of acquired skills necessary for the student to appropriately progress in the general curriculum;
(C) Significant loss of self-sufficiency in self-help skill areas as evidenced by an increase in the number of direct service staff and/or amount of time required to provide special education or related services;
(D) Loss of access to community-based independent living skills instruction or an independent living environment provided by neneutrdutual sources as a result of progression in skills;
(E) Loss of access to on-the-job training or productive employment as a result of regression in skills.

The provision of ESY services is limited to the educational needs of the student and must not supplant or limit the responsibility of other public agencies to continue to provide care and treatment services pursuant to policy or practice, even when those services are similar to, or the same as, the services addressed in the student’s IEP.

No student will be denied ESY services because the student receives care and treatment services under the auspices of other agencies.
How Funds Are Generated: State Extended School Year (ESY)

• The LEA will be funded for any ESY services it provides for special education students beyond the regular school year during a period such as winter, spring, or summer break.

• In accordance with TEC 42.151(k), the LEA is entitled to receive funds in an amount equal to 75%, or a lesser percentage determined by the commissioner, of the adjusted basic allotment (ABA) or adjusted allotment (AA), as applicable for each full-time equivalent student in average daily attendance (ADA), multiplied by the amount designated for the student’s instructional arrangement for each day the program is provided divided by the number of days in the minimum school year.

http://www.statutes.legis.state.tx.us/Docs/ED/htm/ED.42.htm#42.151

How Funds Are Generated: State Extended School Year (ESY)

Instructional arrangement and attendance reported in TSDS PEIMS:

• Extended Year, Collection 4, submitted Aug-Sept
  • 42408 ESY Services Student Records

• Student must be reported with the same instructional setting code with which the student was reported during the school year.

• A student coded with instructional setting code of 40, mainstream, is ineligible for state funding through ESY services.

• This doesn’t mean the LEA cannot administer mainstream services as an ESY service; it just means the funding must come from another source.

How to Apply for State Extended School Year (ESY) Funds

• The ESY state allocation is included in the Summary of Finances (SOF) generated by TEA.

• Funds do not show up in the SOF until the last Final payment cycle, which is in spring of the following school year.

  • For example, for 2018-2019 school year, the ESY funds are not included in the SOF until April 2020.
How to Apply for State Extended School Year (ESY) Funds

This is an example of an LEA’s Final SOF, dated April 26, 2017, for the 2015-2016 school year. The 2015-2016 SOF payment cycles prior to the last Final payment cycle showed zero allotment for ESY.

State (FSP):
Nonpublic Day and Residential Placements

FSP = Foundation School Program

Purpose of Nonpublic Day and Residential

The Individuals with Disabilities Act entitles a student with a disability to a free, appropriate public education in the least restrictive environment, where the student’s educational needs cannot be met in a regular school setting. Students can be educated in a public school or facility, referred to as a regular school, at a nonpublic school or as a nonpublic school or facility, referred to as a nonpublic school or facility. The term “public education” includes an educational program offered by a public agency or a nonpublic school. The term “public school” includes a regular school, public school, or nonpublic school, and the term “nonpublic school” includes a nonpublic school, public school, or nonpublic school. The term “public school” includes a regular school, public school, or nonpublic school. The term “nonpublic school” includes a regular school, public school, or nonpublic school. The term “public school” includes a regular school, public school, or nonpublic school. The term “nonpublic school” includes a regular school, public school, or nonpublic school.
Purpose of Nonpublic Day and Residential

- A nonpublic school placement is the placement of a student by an LEA, at district cost, into a private setting to receive special education and related services that the LEA is unable to provide for the student while still providing FAPE.

- Two types of nonpublic school placements:
  - Day (Instructional Setting Code 60)
  - Residential (Instructional Setting Code 50)

Purpose of Nonpublic Day and Residential

- List of Nonpublic Schools for Students with Disabilities Approved by TEA for Contracting Purposes, along with other resources applicable to Nonpublic Day Schools, are found on TEA’s webpage “Nonpublic School Monitoring and Guidance Resources for Special Education” located at:
  - https://tea.texas.gov/Student_Testing_and_Accountability/Monitoring_and_Interventions/Program_Monitoring_and_Interventions/Nonpublic_School_Monitoring_and_Guidance_Resources_for_Special_Education/

Allowable Use of Funds for Nonpublic Day and Residential

- The LEA may contract with a facility to provide some or all of the special education services listed in the child’s IEP.

- If contracted to provide educational services, the facility must be approved by the commissioner of education to ensure they meet both federal and state special education program requirements.
  - TEA’s approval is not the approval to place the student; that is an ARD committee decision.
  - TEA’s approval is for the educational program the facility provides.
Allowable Use of Funds for Nonpublic Day and Residential

- Appropriateness of a nonpublic facility for the student must be determined by the ARD committee, considering all options and lesser restrictive placements
- LEA must document:
  - Nonpublic day placement is needed
  - The educational program provided at the facility is appropriate
  - The placement is the least restrictive environment
- LEA must establish, in writing, criteria and estimated timelines for the student’s return to the LEA (reintegration plan).
  - If not an initial placement, LEA should review and document the student’s progress on the goals/objectives for return to the LEA
- IEP must contain specific goals/objectives addressing the services (academic, related services, behavior therapy, etc.) for which funding is requested

Allowable Use of Funds for Nonpublic Day and Residential

- The legal responsibility for providing appropriate education services to a student remains with the sending LEA
- LEA must make an initial and an annual on-site visit to verify the facility can, and will, provide the services listed in the student’s IEP which the facility has agreed to provide
- All service providers at the nonpublic facility must be appropriately certified and/or licensed
- Facilities must maintain current and valid licensure by the Texas Department of Aging and Disability Services (DADS), Texas Department of Family and Protective Services (DFPS), or Department of State Health Services (DSHS) for the particular disabling condition and age of the student

How State Funds Are Generated: Nonpublic Day and Residential

- All LEAs must submit a Nonpublic Placement Notification & Application to TEA via the “Nonpublic/High Cost Funds” in TEAL for all students who are placed in a Nonpublic Day School or in a Nonpublic Residential facility by the ARD/IEP committee
  - Data are used:
    - To generate state FSP funds for both types of placements, and
    - To determine whether the LEA will receive a Discretionary Residential award (federal funds)
How State Funds Are Generated: Nonpublic Day and Residential

- Instructional settings do not generate ADA (Average Daily Attendance) or contact hours
- Students are reported in TSDS PEIMS with an ADA eligibility code of "0 – Enrolled, Not in Membership"
- TEA will determine the number of contract students reported in full-time equivalents and pay state funds to the LEA according to the formula in law, based on information reported by the LEA via the "Nonpublic/High Cost Funds (NP/HCF)" TEAL application
- Data will be taken from the Nonpublic/High Cost Funds TEAL application in early June and submitted to School Finance for disbursement of funds via the SOF (Summary of Finances)

How State Funds Are Generated: Nonpublic Day and Residential

- Nonpublic Day School (Instructional Setting Code 60): State funds are based on the number of full-time equivalent (FTE) students reported in the "Nonpublic/High Cost Funds (NP/HCF)" TEAL application
  - FTEs are multiplied by an instructional weight of 1.7 [TEC 42.151]
  - Funds are distributed in the LEA's regular Foundation School Program (FSP) payments via the SOF
- Residential Nonpublic (Instructional Setting Code 50): The education cost of residential contracts are funded with state funds on the same basis as nonpublic day school contract costs according to TEC 42.151 [TEC 89.61(b)(2)(A)]
  - For a Residential Placement:
    - The education cost is funded with state funds
    - The related services and residential costs are funded from a combination of sources (local tax share, residential set-aside, other sources, and IDEA-B Discretionary Residential if needed to cover any remaining balance)

How to Apply for State Funds for Nonpublic Day and Residential

Access the "Nonpublic/High Cost Funds" TEAL application and complete the applicable student information pages

- Select "NPRes" for the Residential Placement students
- Select "NPDay" for the Nonpublic Day School Students

The Fiscal Agent of a Special Education SSA submits on behalf of their members...
How to Apply for State Funds for Nonpublic Day and Residential

- TEA reviews and approves the applications, if requirements are met
- Information from the application is transferred to School Finance for state funds to be distributed to the LEA via the SOF

- **TEA approval is not an approval for placement; that is an ARD decision**
- Instead, the purposes of the submittal of the application in TEAL are:
  - To obtain TEA approval for funding
  - To meet the requirement that LEAs must notify TEA of the decision to place a student in a nonpublic day or residential school

Reflection/Activity

- **Access your LEA's 2016-2017 Summary of Finance (SOF) on the TEA website**
  - [www.tea.texas.gov](http://www.tea.texas.gov) >Finance & Grants >State Funding
  - >Summary of Finances – Reports
  - [https://tealprod.tea.state.tx.us/fsp/Reports/ReportSelection.aspx](https://tealprod.tea.state.tx.us/fsp/Reports/ReportSelection.aspx)

  Use drop down menu to:
  - Select “Summary of Finances”
  - Select “2016-2017” School Year
  - Enter your County District Number or District Name to select your LEA
  - Click “Submit”
  - Open the last Final (last row), PDF version

Reflection/Activity

- Locate the following on your SOF:
  - Line 23: Adjusted Allotment
  - Line 29: 23-Special Education Adjusted Allotment
  - Line 36: 99-Transportation Allotment
  - Page that displays Special Education FTE Detail Report
  - Page that displays Transportation Detail Report
  - Page that displays Tier I Detail Report
State: Non-Ed Funds
Non-educational Community Based Support Services

Purpose of State Non-Ed Funds

• Provide assistance to families of students with disabilities, ages 3 through 21, who are at risk of being placed in a residential facility primarily for educational purposes

• Provide assistance to families when their student with a disability, who was placed in a residential facility primarily for educational purposes, returns from the residential facility

• Intended to help families care for their children with severe disabilities and enable families to better cope with having a child with a disability at home

• Services provided for the families are non-educational in nature

These funds are awarded to certain ISDs and Charter Schools through their ESC

Allowable Expenditures
Definitions are in the Non-Ed FAQs

- Respite Care*
- Attendant Care*
- Psychiatric/Psychological Consultation
- Management of Leisure Time
- Socialization Training
- Individual Support
- Family Support
- Family Dynamics Training
- Generalization Training
- Peer Support Group
- Parent Support Group
- Transportation to access approved Non-Ed services (e.g., to psychiatric/psychological consult)

Non-Allowable Expenditures
Includes, but not limited to:

- Direct payment to parents
- Equipment
- Sheltered workshop services
- Babysitting (this includes attendant care when no family member is available or caring for a child while the parent is at work)
- Remodeling/construction of the student’s classroom and/or home
- Food
- Transportation to any educational service or any service being provided by another public agency
- Medicine, medical prescriptions, doctor/dentist visits, medication therapy, evaluations
- All special education and related services allowable by IDEA in the implementation of a student’s IEP (including adaptive equipment, art therapy, corrective therapy, music therapy, orientation and mobility training, school health services, recreation therapy)
- In-home training or viable alternatives and parent training that support the student’s IEP

*Students with autism can only be approved for respite care and/or attendant care.
Allowable Use of State Non-Ed Funds

• Non-Ed funds must be non-educational in nature
  • If the cost is allowable with special education funds, then it is not allowable with Non-Ed funds
• Non-Ed funds are not intended to maintain services over an extended period of time
  • Services are not intended to be intensive or long-term, but rather periodic and short-term
  • Daily services are not allowable
• Non-Ed funds cannot be paid directly to parents
  • All expenditures must be paid by the LEA to service providers approved by the LEA
• The provision of Non-Ed services is optional
• FAQs for Non-Ed accessible on the ESC-20 webpage:

How Funds Are Generated: Non-Ed Funds

• TEA provides a certain dollar amount to the Education Service Centers (ESCs) each year
  • Annually
  • Sometimes additional funds are provided later in the year
  • The ESC has the option to not participate and therefore, not receive Non-Ed funds
• LEAs request Non-Ed funds from their ESC (if their ESC participates)
  • The ESC approves or denies the request from the LEA
  • The specific award amount from the ESC to the LEA is based on the total amount of requests received and the availability of funds
  • Each ESC has flexibility on their criteria and processes for awarding funds

How to Apply for Non-Ed Funds (Region 20 LEAs)

• Submit the Non-Ed application to ESC-20 by September 30
  • Application and instructions are accessible on the ESC-20 webpage:
  • Completion of the application should be in collaboration with parents and community agencies or service providers
  • Application must be signed by:
    • The LEA's Superintendent or Chief Executive Officer (CEO) or designee
    • If the LEA is a member of a special education SSA, the Fiscal Agent's Superintendent, CEO or designee signs the application
    • CRCG (Community Resource Coordination Group) Chairperson or designee
  • Submit one application per student for whom you wish to apply
  • If you miss the deadline, contact Denise Dusek to see if an application can still be submitted
How to Apply for Non-Ed Funds (Region 20 LEAs)

• ESC-20 reviews the applications and determines the award amount
• The LEA will receive a contract from ESC-20 for the award to be spent for noneducational community-based services approved in the application
• The LEA spends the funds and draws down expenditures from ESC-20’s iTCCS by the deadline notated in the contract

How to Apply for Non-Ed Funds (Region 20 LEAs)

Typically, the awards are provided to the LEAs in stages (cycles)

Miscellaneous

SSVI, MAC, SHARS
SSVI

- **State Supplemental Visually Impaired (SSVI)**
  - State funds designated to provide services unique to students with visual impairments and ensure that comprehensive services are available to all students who are blind or visually impaired
  - SSVI funds are awarded to the Texas School for the Blind & Visually Impaired
  - TEA also provides some VI funds to ESCs
    - Purpose: To provide services to support the education of children with visual impairments from birth through 22 years of age to ensure these students have an opportunity for achievement equal to the opportunities afforded their peers with normal vision
    - Each ESC is responsible for writing a regional plan regarding the expenditure of these funds
    - Some ESCs flow VI funds to the LEAs

MAC

- **Medicaid Administrative Claiming (MAC)**
  Provides Texas LEAs the opportunity to obtain reimbursement for certain costs related to health administration activities that support the Medicaid program

General Information:
https://rad.hhs.texas.gov/medicaid-administrative-claiming/mac-independent-school-districts-isd

SHARS

- **School Health and Related Services (SHARS)**
  SHARS allows LEAs to obtain Medicaid reimbursement for certain health-related services documented in a student’s IEP

General Information:
https://rad.hhs.texas.gov/acute-care/school-health-and-related-services-shars
Budget Building

Drafting a Budget

Adapted from flowchart developed by Laurie Goforth, Dickinson ISD
GATHER Resources

- Program Guidelines associated with federal grant applications
  - Allowable use of funds
- Student Attendance Accounting Handbook (SAAH)
  - How to code your students correctly for TSIS PEIMS, which drives state funding
- FASRG (Financial Accountability System Resource Guide); FAR Guide
  - How to code expenditures according to fund, function, program intent code, class object code
- EDGAR (Education Department General Administrative Regulations)
  - Federal Cost Principles, Procurement Standards
- Local Policies and Procedures

GATHER Resources

- Local documents
  - DIP, CIP, Continuous Improvement Plans, Corrective Action Plans, Needs Assessment, Strategic Priorities, Staffing Analysis
  - Does the DIP/CIP/Continuous Improvement Plans have an impact on how you spend your funds?
  - Will you have compensatory services to provide?
  - Will you need to replace outdated equipment? Need updated software?
- Last Year’s Budget and Final Expenditures
  - Did you spend more or less than projected?
- October snapshot
  - Are your numbers increasing or decreasing?
- District Growth
  - Are you adding or closing campuses or classes?

GATHER Input

- Stakeholders
  - Department Leads,
  - Coordinators,
  - Other LEA Staff,
  - Parents, if applicable
- Any state or local changes?
  - Is federal or state funding being cut or increased?
  - Is the board reducing budgets?
  - Are pay increases planned?
PROJECT Based upon data

- Historical and current TDS5 PEIMS Data
  - How many students served
  - Instructional Settings
  - Disabilities

- Projected Student Enrollment
  - Any changes in demographics?

- Results of Input
  - Superintendent/district priorities?
  - Political pressures?
  - Parent wants/demands?
  - Advocates?
  - Staff?
  - Community priorities?

- Last Year’s Expenditures

- Projected Revenue – How much will I have available to spend?

- Program Data
  - Student’s needs
  - Staff needs
  - Campus/district needs?
  - Implementing new projects/programs?
  - Any new residential facilities moving into the area?
  - Increase in private school/home school students?
  - Increase in nonpublic day school or nonpublic residential placements?
  - What is happening in your LEA?
  - Staffing Analysis

- Fidelity of data
  - Ensure your October snapshot data is correct
  - Periodically review TDS5 PEIMS data for accuracy
    - TDS5 PEIMS collects attendance data and instructional settings
    - Data is used to determine the amount of state funds allocated to the LEA
  - Ensure accuracy!
PRIORITIZE Mandatory needs

- Personnel – payroll costs – usually the largest budgeted expense
  - Staffing analysis
  - Will they be serving one population type or multiple population types?
  - Single Cost Objective or Multiple Cost Objectives?
  - Will they be split-funded?
  - Do you participate in SHARS Reimbursement?
    - If so, which personnel are eligible?
  - Ensure you are paying them out of the correct fund source
  - Anticipated retirements or resignations?
  - Anticipated pay increases?
  - Stipends? Extra-Duty Pay anticipated?
  - Adding new positions?
  - Planned raises?

- Corrective Action Plans/Improvement Plans/Compensatory Services

- Contracted Professional Services

- Recurring annual expenses (software, licenses)

- Reservations/Set Asides
  - Private School Proportionate Share
  - 25% Residential Set-Aside
  - 15% CEIS (Coordinated Early Intervening Services), if applicable

- Does your LEA take indirect cost from your budget?

- Fiscal Compliance
  - Maintenance of Effort (MOE)
    - Must spend the same amount on special education from state and/or local funds as spent in previous year (most recent prior year compliant with MOE); unless qualify for exceptions and/or adjustment; Monitor expenditures to ensure compliance
  - Excess Cost
    - Must not use IDEA-B funds to pay for the entire cost of providing services to students with disabilities; Calculate minimum average amount per student to be spent with funds other than IDEA-B funds
  - 52% rule for State Special Education Allotment
    - Must not spend more than 48% of State (FSP) Special Education allotment on indirect costs
COMMUNICATE Budget

• Collaboration between program staff and fiscal staff is important
  • Both need to understand allowable use of funds
  • Both need to understand regulations concerning procurement methods and standards
  • Both need to understand fiscal compliance requirements
  • Both need a clear understanding of the projected revenue and expenditures

• Ensure appropriate staff have information applicable to them
  • Secretary/Administrative Assistant
  • Clerk
  • Budget Office
  • Coordinators
  • Specialists
  • Teachers

FINALIZE Budget

• Submit the grant application for federal funds, which serves as the budget

• Local accounting records
  • General ledgers, payroll journals, etc.

• Electronic systems

DETERMINE Any major increase/decrease

• Determine any major changes that could affect how funds were budgeted
  • Change in student numbers
  • Change in severity (needs) of students
  • Personnel changes
  • Compensatory services
  • Other fiscal impacts
CREATE System for review

- Monitor expenditures, including current year monitoring of compliance with MOE
- Compare actual expenditures to budget
- Ensure adequate documentation of expenditures
- Share information between program staff and fiscal staff on State FSP Special Education allotment and expenditures

REVISE Amendments & Transfers

- Budgets are fluid and need to be revised as necessary
- For federal funds, use the TEA “When to Amend” Chart to determine when an amendment needs to be submitted to TEA or when you only need to make revisions to local records
  [https://tea.texas.gov/Finance_and_Grants/Administering_a_Grant.aspx](https://tea.texas.gov/Finance_and_Grants/Administering_a_Grant.aspx)
- Determine local policy for when amendments to budgets require board approval

AUDIT Expenditures

- Perform review of expenditures:
  - Proper, allowable expenditures
  - Proper documentation and record keeping
  - Written policies and procedures – in place and being implemented
  - Employees paid with federal funds
    - Time distribution records (time and effort) accurate and maintained
AUDIT Expenditures

• Perform review of expenditures:
  • Expenditures coded correctly
    • Split-funded personnel payroll costs allocated properly
    • Ensure staff who do not provide services to students with disabilities are not coded to special education
    • Review your athletic coaches Coaching periods for general education cannot be paid from special education funds
  • Expenditures from federal funds follow EDGAR Cash Management requirements regarding advance or reimbursement
  • Expenditures from federal funds comply with EDGAR Cost Principles

AUDIT Expenditures

• Perform self-monitoring review of expenditures:
  • Expenditures with federal funds obligated according to 34 CFR 76.702:

<table>
<thead>
<tr>
<th>If the Obligation is to...</th>
<th>The Obligation is to...</th>
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</thead>
<tbody>
<tr>
<td>Acceptance of real or personal property</td>
<td>On the date the subcontractor makes a binding written commitment to acquire the property</td>
</tr>
<tr>
<td>Personnel services by an employee of the subcontractor</td>
<td>On the date services are performed</td>
</tr>
<tr>
<td>Personnel services by a contractor who is not an employee of the subcontractor</td>
<td>On the date on which the subcontractor makes a binding written commitment to obtain service</td>
</tr>
<tr>
<td>Performance of work other than personal services</td>
<td>On the date on which the subcontractor makes a binding written commitment to obtain the work</td>
</tr>
<tr>
<td>Mileage and supplies</td>
<td>When the subcontractor incurs the expenses</td>
</tr>
<tr>
<td>Travel</td>
<td>When travel is taken</td>
</tr>
<tr>
<td>Rent of real or personal property</td>
<td>When the subcontractor uses the property</td>
</tr>
</tbody>
</table>

Tips for New Directors

• Review expenditures on a regular basis (monthly/quarterly)
• Ask yourself, "Am I able to justify this purchase?"
• Review payroll on a regular basis (monthly/quarterly)
• Plan for time in your schedule for budget review and preparation
• Have someone else also review budget and expenditures
  • Good idea to have an extra set of eyes to make sure you don’t miss anything
• Ask for input from all stakeholders
• Prioritize requests
SAMPLE: Special Education Needs Assessment Considerations

<table>
<thead>
<tr>
<th>Consideration</th>
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<tbody>
<tr>
<td>Source Unknown</td>
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SAMPLE: Special Education Needs Assessment

<table>
<thead>
<tr>
<th>Consideration</th>
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<tr>
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</table>

SECTION B: FEEDER SYSTEM ANALYSIS

1. What services do I need to be available at each campus to meet student needs to ensure a smooth transition between campuses?
2. Do we have a full continuum of services at each campus?
3. Will services follow students, so support is continuous?
4. As we project for the future, will resources at each campus have to be added or changed?

Possible Data Sources:
- PEMS L25.001 Special Education/Students with L, J, and J Disability & Grade
- PEMS L25.002 Special Education/Students with Disability
- PEMS L25.003 Special Education/Students by Grade and Instructional Setting and Service Type
- PEMS L25.004 Special Education/Students by Selected Criteria
- PEMS L26.001 U.S. Summary of Special Education/Students by Disability
- PEMS L26.002 Physical Program for Children with Disabilities by Grade and Service Location
- PEMS L26.003 Percent of Early Education/Students with Speech Therapy Only
- PEMS L26.004 Staff Counts and Totals
- PEMS L26.005 Staff Counts by Grade
- PEMS L26.006 Parent Information by Special Populations/Program Intent Codes (PCC 20)
SAMPLE:

**Special Education Needs Assessment**

<table>
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<tr>
<th>Source Unknown</th>
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</table>

**Sections:** Budget Considerations:

1. What is my state and local budget ($/FTE)?
2. How much do I need this year for SRF purposes?
3. What is my federal entitlement?
4. Is there a need for High-Cost Funds?
5. What are the most critical priorities from sections 5.4?
6. Are there major changes in needs from the past year that have been identified in sections 3.6? (Addition/revision of service systems, staff development, student demographics, related services, social services, etc.)

Feasible Data Sources:

- Internal budget information
- Summary of finances for State Allocation
- IDEA II - Allocation (IFDD)
- Measurement of Effort
- Phased Cost Analysis
- Coordinated Early Intervening Services (CEIS)
- High-Cost Funds
- SIF set Aside for Staffing

**ESC-20 Resources for Staffing Considerations:**

The resources displayed below are available on the ESC-20 webpage for Special Education Resources – Staffing Considerations:

[https://www.esc20.net/page/04_staffingConsiderations](https://www.esc20.net/page/04_staffingConsiderations)

**SAMPLE:**

**Professional Development Needs Assessment**

| Source Unknown |

**ESC-20**

**Education Service Center, Region 20 | January 2019**
Fund Code

- Sources of Funding
- Examples:
  - 224 IDEA-B Formula
  - 225 IDEA-B Preschool
  - 199 General Fund (State and Local)
  - 420 General Fund for Charter Schools (State)
  - Special Education Shared Services Arrangements (SSAs) use:
    - 313 IDEA-B Formula
    - 314 IDEA-B Preschool
    - 437 State and/or local special education expenditures
  - RDSPD Fiscal Agents use:
    - 315 for Discretionary Deaf
    - 435 for State Deaf
    - 440 for IDEA-C (ECI)
Function Code

- What is the purpose of the funds being expended?
  Examples:
  - 11 Instruction
  - 12 Instructional Resources
  - 13 Staff Development
  - 21 Instructional Leadership
  - 23 School Leadership
  - 31 Guidance, Counseling and Evaluation Services
  - 32 Social Work Services
  - 33 Health Services
  - 34 Student Transportation
  - 36 Extracurricular Activities
  - 41 General Administration
  - 51 Facilities Maintenance and Operations
  - 93 Payments to Fiscal Agent from Member; Payments from Fiscal Agent to Member

Object Code

- Types of expenditures; For what is the money being expended?
  Examples:
  - 6100 Payroll Costs
  - 6200 Professional and Contracted Services
  - 6300 Supplies and Materials
  - 6400 Other Operating Expenses
  - 6500 Debt Service
  - 6600 Capital Outlay

Program Intent Code (PIC)

- For whom is the money being expended? Which student population?
  Examples:
  - 11 Basic Educational Services
  - 32 Prekindergarten (PreK)
  - 21 Gifted and Talented
  - 33 PreK Special Education
  - 22 Career and Technical
  - 34 PreK Compensatory Education
  - 23 Special Education
  - 35 PreK Bilingual Education
  - 24 Accelerated Education
  - 25 Bilingual Education/Special Language
Local Option Codes

- Optional Codes for LEAs to use at their discretion to track expenditures more closely
- For example, use a local option code to track IDEA-B Proportionate Share funds to distinguish IDEA-B expenditures for public school students with disabilities from expenditures for parentally-placed private school students with disabilities since the Fund Code is the same.

Coding Expenditures

- Ensure expenditures are coded accurately
- Coordinate with your business office for local option codes to track specific expenditures, such as proportionate share

Amending Your Grant Application

- Know key players (Business Office; Ass't Superintendents; HR, Purchasing)
- Partnering
  - Know who does what, when, and how
- Be clear, consistent
- Follow processes
- Documentation essential
- Transparency

- Relationships

- Partnering
Amending the Application

- TEA provides guidance on when to amend your grant application.
- "When to Amend" chart available on TEA website: www.tea.texas.gov > Finance & Grants > Administering a Grant https://tea.texas.gov/Finance_and_Grants/Administering_a_Grant.aspx

Located under the heading "Amendment Submission Guidance"
Amending the Application

Basically, for amendments to the BS6006 Budget Summary:

- If you do not already have costs budgeted in a class object category, and now you are adding a cost to the class object category, an amendment is required
- If you are adding a line item to a class object category in which you have costs budgeted, but that particular line item was not budgeted, an amendment is required
- If you are adding a new position, an amendment is required
- Any revisions to 6600 Capital Outlay requires an amendment
- If you are increasing or decreasing funds in class object categories that are already budgeted, and no new line items are being added, an amendment is only required if the amount of the revision is greater than 25% of your entire grant budget
- If you are increasing or decreasing the number of previously approved positions (not adding new positions) by more than 20%, an amendment is required

Amending the Application: Number of Positions

If you are increasing or decreasing the number of previously approved positions (not adding new positions) by more than 20%, an amendment is required

- To determine the percentage, compare the total number of positions being added or subtracted (regardless of whether an addition or subtraction) to the original total number of positions

<table>
<thead>
<tr>
<th>Position</th>
<th>Original Number</th>
<th>Increase or Decrease</th>
<th>Amended Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bus Aide</td>
<td>7</td>
<td></td>
<td>7</td>
</tr>
<tr>
<td>Educational Aide</td>
<td>29</td>
<td>-9</td>
<td>20</td>
</tr>
<tr>
<td>Educational Diagnostician</td>
<td>3</td>
<td>+6</td>
<td>9</td>
</tr>
<tr>
<td>Physical Therapist</td>
<td>1</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>SLP</td>
<td>2</td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Special Education Teacher</td>
<td>14</td>
<td>-8</td>
<td>6</td>
</tr>
<tr>
<td>TOTAL</td>
<td>56</td>
<td>23 changes</td>
<td>45</td>
</tr>
</tbody>
</table>

- Total number of positions changing = 23 (regardless of whether a position is being added or subtracted)
- 23/56 = 41%
- An amendment is required in this example
Amending the Application: More than 25% of Total Budgeted Amount

If you are increasing or decreasing the amount of funds in a class object category by more than 25% of the total budgeted amount, an amendment is required.

- "Total budgeted amount" means the Total Budgeted Costs for the grant, depicted in Part 2 Budgeted Costs of the BS6006.

Amendment Quiz

Sally budgeted the following for IDEA-B Formula:

<table>
<thead>
<tr>
<th>Class</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>6100</td>
<td>$275,000</td>
</tr>
<tr>
<td>6200</td>
<td>$30,000</td>
</tr>
<tr>
<td>6300</td>
<td>$100,000</td>
</tr>
<tr>
<td>6400</td>
<td>$20,000</td>
</tr>
<tr>
<td>6600</td>
<td>$20,000</td>
</tr>
</tbody>
</table>

Total: $445,000

25% of the Total budget = $111,250

She needs to hire an additional special education teacher and will need to move $50,000 from 6300 to 6100.

Does she need to submit an amendment?

No. (1) Since she already has sped teachers budgeted in the application and is not increasing the number of positions by more than 20%, an amendment is not required. (2) The dollar amount of the transfer does not exceed 25% of the total budget. However, if she did not have any sped teachers budgeted, then she would need to submit an amendment, regardless of the dollar amount of the transfer.
Amendment Quiz
Sally budgeted the following for IDEA-B Formula:
6100 $275,000
6200 $ 30,000
6300 $100,000
6400 $ 20,000
6600 $ 20,000
TOTAL $445,000 25% of the Total budget = $111,250
She needs to increase the amount budgeted for 6200. She will need to move
$120,000 from 6300 and 6600 to 6200.
Does she need to submit an amendment?

Amendment Quiz - Answer
Sally budgeted the following for IDEA-B Formula:
6100 $275,000
6200 $ 30,000
6300 $100,000
6400 $ 20,000
6600 $ 20,000
TOTAL $445,000 25% of the Total budget = $111,250
She needs to increase the amount budgeted for 6200. She will need to move
$120,000 from 6300 and 6600 to 6200.
Does she need to submit an amendment?
Yes. The amount of the transfer exceeds 25% of the total budget.
Also, if she is adding a new line item in 6200, that also requires an amendment.

Amendment Quiz
Sally budgeted the following for IDEA-B Formula:
6100 $375,000
6200 $ 30,000
6300 $ 0
6400 $ 20,000
6600 $ 20,000
TOTAL $445,000 25% of the Total budget = $111,250
She needs to purchase some adaptive equipment for students with
disabilities. The unit cost is less than $5,000.
Does she need to submit an amendment?
The LEA defines their capitalization threshold as $5,000.
**Amendment Quiz - Answer**

Sally budgeted the following for IDEA-B Formula:

<table>
<thead>
<tr>
<th>Code</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>6100</td>
<td>$275,000</td>
</tr>
<tr>
<td>6200</td>
<td>$ 30,000</td>
</tr>
<tr>
<td>6300</td>
<td>$ 100,000</td>
</tr>
<tr>
<td>6400</td>
<td>$ 20,000</td>
</tr>
<tr>
<td>6600</td>
<td>$ 20,000</td>
</tr>
</tbody>
</table>

**TOTAL** $445,000  
25% of the Total budget = $111,250

She needs to purchase a patient lift that costs $6,000. Although this item was not specifically listed in her application, she has only spent $10,000 from 6600.

Does she need to submit an amendment?

Yes. All items coded to 6600 require specific approval, so every 6600 cost item must be listed on the application. All items added to 6600 require an amendment.
Resources

• EDGAR
  https://tea.texas.gov/Finance_and_Grants/Grants/Administering_a_Grant/The_Now_EDGAR/

• Excess Cost for IDEA-B

• FASRG – FAR Guide
  https://tea.texas.gov/Finance_and_Grants/Financial_Accountability/Financial_Accountability_System_Rule_Summary/

• General and Fiscal Guidelines
  https://tea.texas.gov/Finance_and_Grants/Grants/Administering_a_Grant/General_and_Fiscal_Guidelines/

• High Cost Funds (HCF)
  https://tea.texas.gov/Academics/Special_Student_Populations/Special_Education/Programs_and_Services/High_Cost_Funds/

• IDEA-B Regulations (USDE)

• MAC (Medicaid Administrative Claiming)
  https://rad.bhs.texas.gov/medicaid-administrative-claiming/mac-independent-school-districts-isd

• Maintenance of Effort (MOE)

• Non-Ed (Non-educational Community-Based Services) Funds (TEA Guidance)
  https://tea.texas.gov/Academics/Special_Student_Populations/Special_Education/Non-Ed_Services/Community-Based_Support_Services/

• Non-Ed (Non-educational Community-Based Services) Funds (for Region 20 LEAs)
  https://www.esc20.net/page/ci_se_non_ed_supports_services_general_info
Resources

• Nonpublic Day and Residential guidance and resources:
  https://tea.texas.gov/Academics/Special_Student_Populations/Special_Education/Programs_and_Services/Nonpublic_Day_and_Residential_Placement_Notification_and_Applications/
• Program Guidelines (TEA) for Grant Applications:
  Use search feature for specific grant application
  http://te4avoswald.tea.state.tx.us/GrantOpportunities/forms/GrantProgramSearch.aspx

Resources

• Residential Placements for Students with Disabilities TAC 89.61
• SHARS (School Health and Related Services)
  https://rad.hhs.texas.gov/acute-care/school-health-and-related-services-shars
• Texas Education Code (TEC) 42.151 Special Allotments for Special Education
  http://www.statutes.legis.state.tx.us/Docs/ED/htm/ED.42.htm#42.151
• Texas Public School Finance Overview (TEA manual on how Texas public schools are funded)
  http://www.statutes.legis.state.tx.us/Docs/ED/htm/ED.42.htm#42.151

Contact

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