



West Virginia DEPARTMENT OF  
**EDUCATION**

## Special Education/IDEA Finance Update

Presented by David Parkins

July 8, 2025

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### Presentation Outline

- Special Education Funding Overview
- IDEA Funding Trends
- Fiscal Impact of Public Charter Schools
- Maintenance of Effort
- Risk Ratio for Special Ed Monitoring
- Special Ed Finance Tools
- Additional Resources
- Questions and Discussion

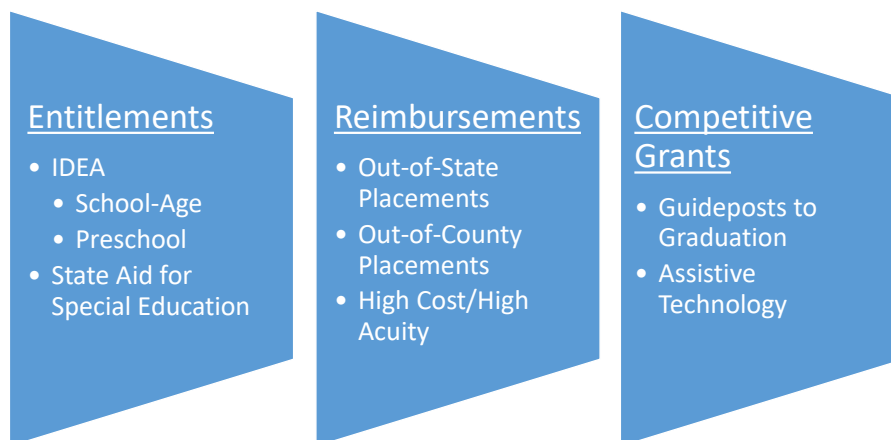


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## FY26 Special Education Funding



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## Entitlement Programs

Obligation Period: 7/1/25 – 9/30/27  
Liquidation Deadline: 11/15/27

### IDEA School Age Funding (Project 4361X)

- Also referred to as Section 611 funding
- For students w/ disabilities, ages 3-21
- **CAN NOT** be used for gifted services
- Can be used to help cover Pre-K costs, since that is not funded as highly

### IDEA Preschool Funding (Project 4362X)

- Also referred to as Section 619 funding
- For students w/ disabilities, ages 3-5 only
- Can be used for 5-year olds in kindergarten

### State Aid for Special Education (Project 0261X)

- For students w/ exceptionalities ages 3-21
- **CAN** be used for gifted services--please use 41471 program function in FY 26 since 21271 is no longer an option in the chart of accounts.



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## Reimbursement Programs

### Out-of-State (Project 02Y2X)

- For SWDs placed in an out-of-state facility by their IEP teams (not court-ordered) when the LEA cannot meet the students' needs
- Application usually made available in December and due in January/February
- \$300,000 of state funding available

### Out-of-County (Project 02Y6X)

- For SWDs placed in a foster/group home within a LEA that is not their home LEA
- Foster documentation from DoHS required
- Application usually made available in March and due in April/May
- \$558,935 of state funding available

### High Cost/High Acuity (Projects 43Y3X and 02Y5X)

- For SWDs w/ exceptionally high costs (3x the average per pupil expenditures) AND students court-ordered to an out-of-state facility
- Application usually made available by mid-July and due in Aug./Sept. (due mid September this year)



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## High Cost/High Acuity Funding Available for Reimbursement-2025

IDEA Funding = \$1,082,463

State Appropriated Funding = \$1,500,000

NOTE: 2026 State Appropriated Funding = \$2,700,000



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## High Cost/High Acuity Fund

### Eligibility for Reimbursement

- Definition: Individual application for an eligible SWD who:
  - is 3-21 years of age;
  - has a current IEP;
  - **In district:** lives within the LEA requesting funds and receives special education and related services within the LEA; FY 25 costs  $\geq$  \$46,839 annually (approx. 3 x average per pupil expenditure \$15,613)
  - **court-ordered out-of-state placements:** students in Oct 2023 child count only (WVDE will send list to SE Director). WVEIS printout required to prove enrollment.



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## High Cost/High Acuity Fund

### Other Excluded and Included Categories for Eligibility

- ☐ IEP Placed Out of State Students
  - Students with disabilities placed out-of-state by the LEA IEP team **may not** be submitted for reimbursement through the High Cost Expenditure Fund.
- ☐ Out of LEA Placements
  - Students placed into a district by another agency (i.e. foster care and emergency shelters), **may** be submitted for reimbursement, but all High Cost/High Acuity criteria requirements must also be met.
  - Reimbursement will not be provided under both high cost/high acuity and out-of-LEA funding reimbursement mechanisms.



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## High Cost/High Acuity Fund

### Eligible Expenses

Costs required to provide direct special education and related services, as identified in the student's IEP:

- Personnel (teachers, aides, service providers) including extended school year
- Evaluations recommended by IEP Team and documented on IEP
- Supplementary classroom materials for specially designed instruction
- Assistive technology services or devices identified on the student's IEP
- Equipment (mats, prone stander)
- Construction (ramp, handicap accessible bathroom)
- Special transportation (must be noted in IEP)
- Educational cost for court ordered out-of-state students



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## SWD Served in District with Costs that Meet or Exceed \$46,839 Annually

- Documentation must be submitted to verify all amounts submitted for reimbursement and to support FTE calculations claimed.
- A copy of the IEP for the year in which the expenses were incurred is to be submitted. (Counties may submit only the pages of the IEP that support the expenses claimed if desired.)
- Payroll expenses claimed should be supported by the PAI.510 report for the period July 1, 2024-June 30, 2025.
- Eligible Medicaid Reimbursement will be subtracted from the total amount of approved expenses submitted for reimbursement but may be used to determine whether or not a student meets minimum expenditure criteria.
  - (For example, a student with expenses totaling \$46,000 but with eligible reimbursement from Medicaid at \$10,000 meets the minimum expenditure criteria. However, the amount eligible for reimbursement will be calculated at \$36,000.



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## Application & Instructions

- Will be accessible on the WVDE/OSE website
- Finance and Medicaid page>Funding Opportunities
- High Cost/High Acuity links



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## Competitive Grant Programs (pending funding availability)

### **Guideposts to Graduation (Project 4363X)**

- State Systemic Improvement Plan required by IDEA
- For secondary transition-age SWDs (ages 14-21)
- Federal funding available varies
- Applicants can apply for up to \$50,000 annually
- For program specific questions, contact our SSIP/Secondary Transition Coordinator - Tonya Rutkowski ([tonya.rutkowski@k12.wv.us](mailto:tonya.rutkowski@k12.wv.us))

### **Assistive Technology- School Age and Preschool**

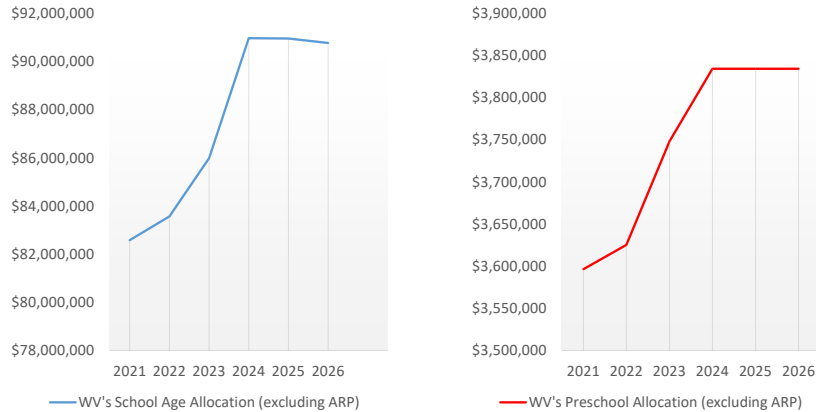
(Project 43Y3X or 43Y5X)

- To assist LEAs with SWDs requiring assistive technology to provide access to education
- Federal funding available varies
- For program specific questions, contact our Speech/Language Coordinator – Heather Waselchalk ([heather.waselchalk@k12.wv.us](mailto:heather.waselchalk@k12.wv.us))



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## IDEA Funding Trends (Last 6 Years)



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## Fiscal Impact of Public Charter Schools

Public charter schools can receive IDEA funding if they are **eligible** to serve students with disabilities. They don't have to be currently serving SWDs to receive funding.

FY26 allocations and grant awards may be adjusted for existing LEAs following the October 1 child count for charter schools opening this year or WVDE could opt to fund these initial new charter allocations from IDEA state set-side funds if available. If existing LEA allocations/awards are adjusted, anticipate this occurring in December-January.



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## Maintenance of Effort (MOE)

IDEA funding is intended to assist LEAs in meeting their financial obligation to provide special education and related services to students with disabilities. The amount of local or state and local funds expended to provide education to SWD determines the level of “effort” that must be maintained year-to-year.

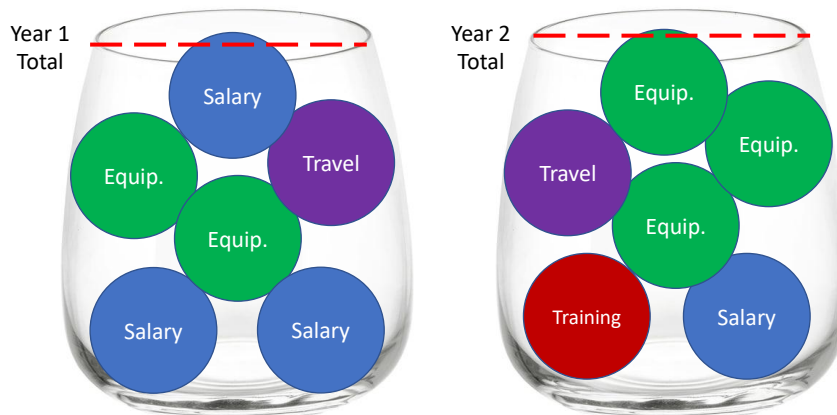
This is the “Supplement, not Supplant” test for IDEA.

The “particular cost test” no longer exists for IDEA, meaning if an LEA meets MOE, a particular cost previously covered with state and/or local funds can be covered with IDEA funds without violation.



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## Maintenance of Effort



State & Local Expenditures for Special Education

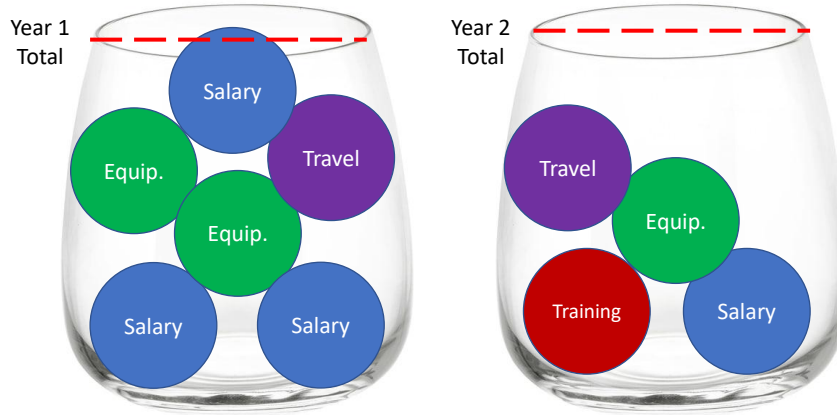


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## Maintenance of Effort

**FAIL**



State & Local Expenditures for Special Education



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## MOE Eligibility and Compliance

### Eligibility Test

- LEA must **budget** as much local or state & local funds for special education as spent the last year the LEA met MOE, which is typically the previous year.
- Tested during the GPS budgeting process

### Compliance Test

- LEA must **spend** as much local or state & local funds for special education as the last year the LEA met MOE, which is typically the previous year.
- Tested at the end of the fiscal year (or when final fiscal data is available)



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## Failing MOE Eligibility and Compliance

### Failing Eligibility Test

- LEA may not receive an IDEA allocation for the year of failure

### Failing Compliance Test

- LEA must repay an amount equal to the short fall with non-federal funds
- Possible single audit finding



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## Four Methods for Calculating MOE

An LEA only needs to meet **ONE** of the following to meet the MOE requirements for IDEA:

1. Total local and state expenditures for SWD
2. Local only expenditures for SWD
3. Per student amount of local and state expenditures for SWD
4. Per student amount of local only expenditures for SWD



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## MOE Exceptions

There are five allowable exceptions by which an LEA may reduce its level of expenditures below the level for the most recent fiscal year for which data are available (eligibility) or for the preceding fiscal year (compliance):

- 1) The voluntary departure, by retirement or otherwise, or departure for just cause, of special education or related services personnel;
- 2) A decrease in the enrollment of children with disabilities;



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## MOE Exceptions (cont.)

- 3) The termination of the obligation of the agency to provide a program of special education to a particular child with a disability that is an exceptionally costly program because the child has 1) left the jurisdiction, 2) aged out of special education, or 3) no longer needs the program of special education;
- 4) The termination of costly expenditures for long-term purchases, such as the acquisition of equipment or the construction of school facilities; and
- 5) The assumption of cost by the high-cost fund operated by the SEA under §300.704(c).



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## MOE Adjustment

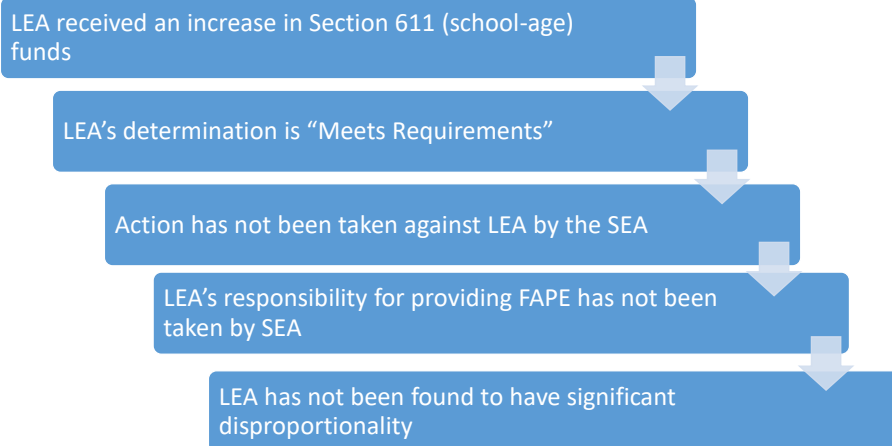
This option is why we publish "Table 2" of our annual IDEA allocation schedules.

When an LEA's IDEA Part B 611 allocation increases from the previous year, the LEA may be eligible to reduce the amount required to meet the LEA MOE eligibility and compliance standards by up to 50 percent of the amount of the increase, if it meets other requirements.



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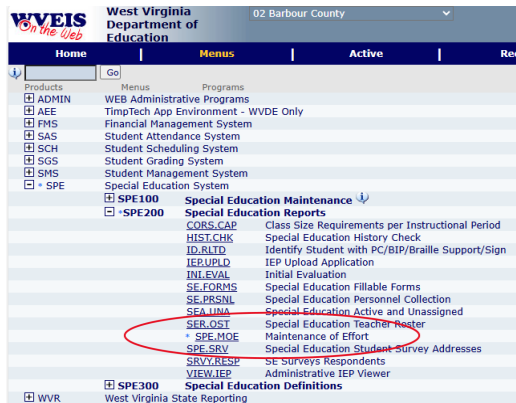
## Is your LEA eligible for the MOE adjustment?



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# Special Ed Finance Tools: MOE

LEAs can gather MOE Compliance data using the application on WVEIS. If you do not have the **SPE.MOE** menu, please get in touch with your county WVEIS contact.



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Go to the 'LEA-MOE 2026' section and use either the Total State and Local or the Total Local Only amount in GPS.

**MAINTENANCE OF EFFORT CALCULATION**  
STATE AND LOCAL FUNDS - COMPLIANCE TEST FOR FY 2026

Requirements Resource

	FY 24	FY 23	Increase or (Decrease)
1. Total Expenditures in funds 11, 12, 2X, 3X, 4X, 5X, 61, and 71, Projects 00700, 28700 and 80100, Program/Function Code 20000. (Excluding Program/Function Code 21271 and Objects 217, 235)	\$ 3,680,869.72	\$ 3,635,523.81	
2. If expenditures for CDBG were recorded to Program/Function 20000, but not in 217 as applicable, subtract that total now.	0.00	0	
3. Less Total Expenditures for Medicaid (Project 00933)		55,385.50	
4. If Medicaid expenditures were not recorded in project 00933, enter the total expended for Medicaid for 2024 now.		0	
5. Reduction in MOE (if applicable) (Approved and verified by WVDE for FY 24)			
Must provide basis for Reduction (see Requirements link above)			
(Maximum characters: 250) You have 250 characters left.			
<b>TEST 1A</b> 6. Total State and Local Expenditures (Excludes Medicaid, Gifted and CPED ARC reported by CSBO)	3,680,869.72	3,581,138.31	99,731.41
<b>TEST 1b</b> 7. Total State and Local Expenditures Less Approved Reduction in MOE (approved for FY24 but subtracted from prior year amount)	3,680,869.72	3,581,138.31	99,731.41
<b>TEST 2A</b> 8. Child Count from previous December 1	575	555	
<b>TEST 2B</b> 9. Total State and Local expenditures on a per pupil basis	6,401.18	6,452.50	-91.34
10. Total State and Local expenditures on a per pupil basis Less Approved Reduction in MOE on a per pupil basis	6,401.18	6,452.50	-91.34



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## WOW's SPE.MOE Application



- Upon working with charter schools to capture MOE information, WOW'S MOE SPE.MOE application was reviewed in conjunction with the School Finance Office.
- Necessary changes were noted to more accurately calculate and present state and local expenditures in the app. WVDE is evaluating the impact of these changes on previous years compliance/comparison amounts.
- WVDE will notify LEAs when changes are implemented and regarding impacts to affected LEAs.
- LEAs can input the MOE eligibility amount from the SPE.MOE app, as it is reflecting currently, in the FY 26 GPS application
- WVDE will be able to consider your applications "substantially approvable" to allow release of LEA grant awards effective 7/1/25 if this is the only item unresolved on your application



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### 34 C.F.R. §300.203(a))

#### 300.203 Maintenance of effort.

##### (a) Eligibility standard.

- (1) For purposes of establishing the LEA's eligibility for an award for a fiscal year, the SEA must determine that the LEA budgets, for the education of children with disabilities, at least the same amount, from at least one of the following sources, as the LEA spent for that purpose from the same source for the most recent fiscal year for which information is available:
  - (i) Local funds only;
  - (ii) The combination of State and local funds;
  - (iii) Local funds only on a per capita basis; or
  - (iv) The combination of State and local funds on a per capita basis.
- (2) When determining the amount of funds that the LEA must budget to meet the requirement in paragraph (a)(1) of this section, the LEA may take into consideration, to the extent the information is available, the exceptions and adjustment provided in §§ 300.204 and 300.205 that the LEA:
  - (i) Took in the intervening year or years between the most recent fiscal year for which information is available and the fiscal year for which the LEA is budgeting; and
  - (ii) Reasonably expects to take in the fiscal year for which the LEA is budgeting.
- (3) Expenditures made from funds provided by the Federal government for which the SEA is required to account to the Federal government or for which the LEA is required to account to the Federal government directly or through the SEA may not be considered in determining whether an LEA meets the standard in paragraph (a)(1) of this section.



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## Downloading the LEA MOE Calculator Tool

To download the MOE calculator, go to

[cifr.wested.org/tools/lea-moe-calculator/](https://cifr.wested.org/tools/lea-moe-calculator/)

and click on the download icon.



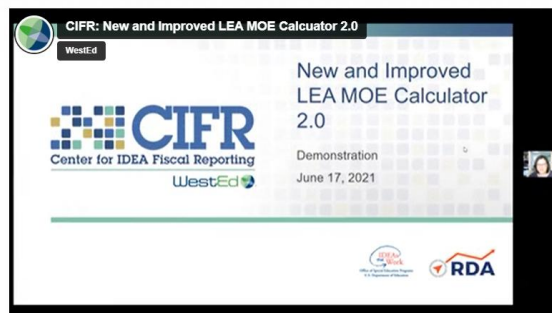
Courtesy of the Center for IDEA Fiscal Reporting (CIFR)



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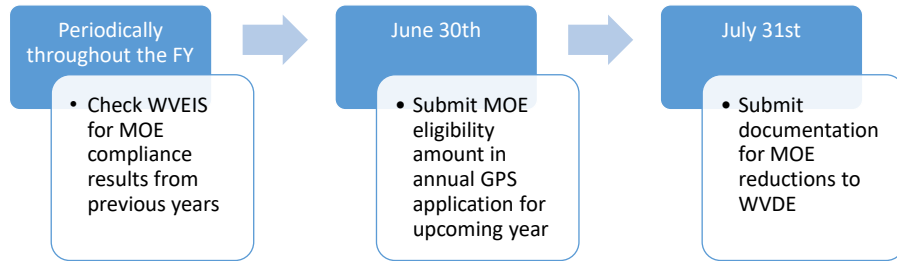
## Using the LEA MOE Calculator Tool

There is a demonstration video available on how to use the tool at <https://cifr.wested.org/resource/lea-moe-calculator-2-0-demonstration/>.



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## LEA MOE Timeline



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## Risk Ratio for Special Ed Monitoring

We began using a risk-based monitoring system in the 2022-2023 school year (in addition to the current cyclical monitoring that occurs every 4 years).

Our risk ratio matrix assesses an LEA's risk of noncompliance to the state and considers 5 programmatic and 5 fiscal factors.

For the 2023-2024 school year and forward, 4 of the factors were weighted more heavily. Those factors are circled on the following slides.



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	Risk Factor	Level of Risk	Points
Program	1. Most recent LEA determination	Needs Substantial Intervention	Very High 6
		Needs Intervention	High 4
		Needs Assistance	Medium 2
		Meets Requirements	Low 0
	2. LEA has new key personnel (Special Ed Director, Treasurer/CSBO, or Superintendent)	Multiple new key personnel in the past year	Very High 6
		One new key personnel in the past year	High 4
		New key personnel in the past 3 years	Medium 2
		No new key personnel in the past 3 years	Low 0
	3. Special education population is higher than state average	More than 10 points over state average	Very High 3
		More than 5 points over state average	High 2
		Over state average	Medium 1
		At or under state average	Low 0
	4. Number of violations of noncompliance from state complaints	9 or more in the past 3 years	Very High 3
		4 to 8 in the past 3 years	High 2
		1 to 3 in the past 3 years	Medium 1
		None in the past 3 years	Low 0
	5. County Support and Accountability for Student Academic Achievement and Success Identification	Intensive	Very High 3
		Support	High 2
		On Watch	Medium 1
		No Identification	Low 0



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Fiscal	6. LEA total IDEA subgrant amount (Section 611 and 619)	Greater than \$3,000,000	Very High 3
		\$1,750,000 to \$3,000,000	High 2
		\$500,000 to \$1,750,000	Medium 1
		Less than \$500,000	Low 0
	7. LEA failed to spend an appropriate amount of funds by June 30th	Over 50% remaining	Very High 6
		40-49% remaining	High 4
		30-39% remaining	Medium 2
		Under 30% remaining	Low 0
	8. LEA failed to meet MOE compliance requirements	Did not meet any MOE test	Very High 3
		Met one MOE test, with reductions	High 2
		Met one MOE test, without reductions	Medium 1
		Met multiple MOE tests	Low 0
	9. LEA has had special education related single audit findings	Repeatedly in the past 3 years	Very High 3
		Once in the past year	High 2
		Once in the past 3 years	Medium 1
		None in the past 3 years	Low 0
	10. LEA has been identified as having significant disproportionality (CCEIS)	Yes	Very High 6
		No, but has in the past 3 years	High 4
		No, but is at risk	Medium 2
		No	Low 0

Note risk is assessed regarding MOE in 8 above. LEAs should strive to meet all 4 tests.



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## What does your risk score mean?

Risk Determination	Monitoring Activities	Risk Score
Very High Risk	On-site monitoring required	24 or more points
High Risk	Desk review required	21 to 23 points
Medium Risk	Need for desk review determined by support team	18 to 20 points
Low Risk	No additional monitoring required	17 or fewer points

**Very High Risk LEAs:** On-site monitoring will follow our normal special ed monitoring protocol, with additional focus on areas of high risk.

**Medium to High Risk LEAs:** Desk review will be primarily focused on areas of high risk.



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## Special Ed Finance Tools: Excess Cost

LEAs can check their Excess Cost requirements at [wveis.k12.wv.us/schoolFinance/sf000024.cfm](https://wveis.k12.wv.us/schoolFinance/sf000024.cfm)

 The image is a screenshot of a web browser showing the URL "https://wveis.k12.wv.us/schoolFinance/sf000024.cfm". Below the address bar, there are navigation links: "Home", "Microsoft 365", "OnePoint", "myApps", "GPS", and "eGrants". The main content area features a dropdown menu set to "2026" and a text input field containing "Barbour". Below these is a "Submit" button.

You'll need to look at this annually when completing your IDEA & State Aid Application in GPS. Unlike MOE, this is **NOT** a year-to-year comparison.



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# Special Ed Finance Tools: Allowability

WVDE now has an IDEA allowable costs document for your reference.

<https://wvde.us/academics/special-education/finance-medicaid>

SPECIAL EDUCATION

## Finance and Medicaid

IN THIS SECTION

- Finance and Medicaid
  - Annual State IDEA Funding Application
  - Funding Opportunities

Funds are awarded to the WVDE by the United States Department of Education (USDE), Office of Special Education Programs (OSEP), to "flow-through" to the LEA contingent upon an LEA's application for Part B funds. State funds that are appropriated each year to assist in providing education to students with disabilities are also utilized as a "flow-through" to LEAs as well as internal administrative support.

**Allowable Costs for IDEA Funding [PDF]**, provides an alphabetical list (in chart format) of common categories for special education expenses and provides supporting information to help in determining if certain costs are allowable under IDEA grants. Please contact [David Parkins](#) if there are additional questions related to special education funding.



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- WVDE recently distributed clarifications regarding Pre-K payroll costs. Our guidance was centered upon 34 CFR 300.202(a)(2), which indicates amounts provided to the LEA under Part B of IDEA must be used only to pay the excess costs of providing special education and related services to children with disabilities, consistent with the excess cost requirement.
- We became aware that LEAs are concerned with this information, so we consulted with our technical assistance providers.
- Our providers indicated an appropriate percentage of the salaries of a teacher and aide in a universal Pre-K classroom providing special education services and supports could be considered allowable costs under IDEA. Such salaries should also be properly supported by time and effort reporting records.
- They indicated OSEP clarified last year that excess cost is not a single test cost. If the LEA passes the excess costs calculation test for APPE, there's no other excess cost requirement that should be used to determine allowability of costs.



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## Additional Resources for LEAs

Center for IDEA Fiscal Reporting (CIFR) – [Center for IDEA Fiscal Reporting](#)

- LEA MOE Organizer
- Understanding LEA MOE PowerPoint Slides
- MOE Reduction Eligibility Decision Tree

Office of Special Education Programs (OSEP) – [sites.ed.gov/idea](https://sites.ed.gov/idea)

(This is the federal governing body for special education)

WVDE Office of Special Education - [Special Education | West Virginia Department of Education](#)

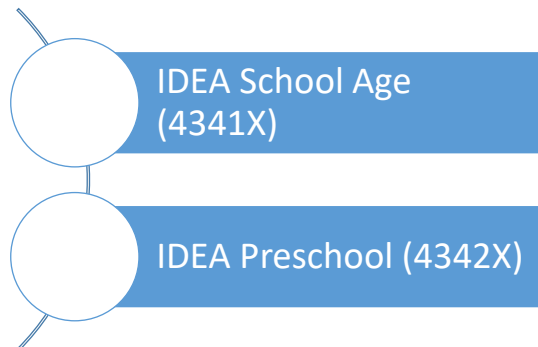


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## Expiring FY24 Special Ed Funds



This federal funding is expiring **September 30, 2025**. All obligations must be made by 9/30/25 and all drawdown requests must be submitted to the WVDE by **November 15, 2025**.



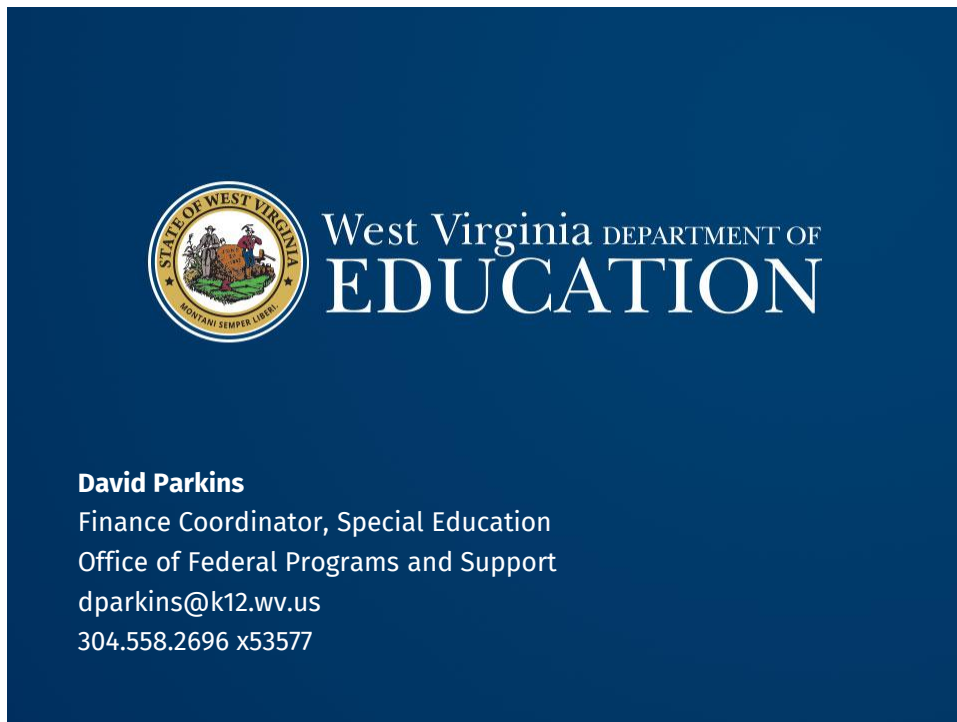
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## Questions and Discussion

Thank you for your time!



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