
  
**IDEA Financial Issues**

Presented by:  
Shana Clay, CPA  
July 12, 2016



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**MAINTENANCE OF EFFORT (MOE)**



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**Part B LEA MOE**

- IDEA MOE Regulations:
  - IDEA requires that LEAs must budget and expend the same amount of local funding for special education as it expended in the previous fiscal year. (34 CFR §300.203)



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### Part B LEA MOE

- The amount of local, or State and local, funds expended for the education of children with disabilities is the amount of funds that establishes the level of expenditures to be maintained from year to year and establishes the MOE level.

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### Supplement not Supplant

Funds under Part B must be used to supplement State, local and other Federal funds and not to supplant them (See 34 CRF §300.202(a)(3))

If a LEA **maintains** its fiscal effort, it will only be using Part B funds to supplement local, or state and local funds, and not to supplant them and thus meets the supplement/not supplant requirements.

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### MOE-Eligibility and Compliance

Eligibility Test	Compliance Test
<ul style="list-style-type: none"> <li>Local special education budget amounts compared to prior year actual expenditures</li> <li>Determines whether an LEA is "eligible" to receive the IDEA entitlement grants</li> </ul>	<ul style="list-style-type: none"> <li>Local special education actual expenditures two-year comparison</li> <li>Determines whether an LEA is in final compliance with the MOE requirement</li> </ul>

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## MOE-Eligibility and Compliance

<p><b>Failing Eligibility Test</b></p> <ul style="list-style-type: none"> <li>LEA may not receive an IDEA allocation for fiscal year tested</li> </ul>	<p><b>Failing Compliance Test</b></p> <ul style="list-style-type: none"> <li>LEA must repay an amount equal to the short-fall</li> <li>Must use non-federal funds for repayment</li> <li>Possible single audit finding</li> </ul>
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## MOE-Assurance for Funding Eligibility

- To be eligible for plan approval and to receive a grant awards for FY 17, the LEA must submit a FY 17 LEA budget that assures MOE will be met
- Medicaid funds spent for students with disabilities are NOT counted as local funds for the purpose of MOE (CFO codes Medicaid revenues and expenditures in WVEIS which are excluded from calculation. Use Project 00Y83)

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## Four Tests to Meet MOE

- An LEA needs to only meet ONE of the following comparison tests:
  - Local & State expenditures in total for SWD
  - Local Only expenditures for SWD
  - The per student amount of Local & State expenditures for SWD
  - the per student amount of Local Only expenditures for SWD

*First must **budget** adequate amount; then must **spend***

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## MOE Federal Clarification

- Consolidated Appropriations Act, 2014
  - That the level of effort a local educational agency must meet under section 613(a)(2)(A)(iii) of the IDEA, in the year after it fails to maintain effort is the level of effort that would have been required in the absence of that failure and not the LEA's reduced level of expenditures.

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*Examples of a Compliance Analysis Based on a Combination of State and Local Funds*

**Table 1. LEA Maintained Effort in 2013-2014**

Fiscal Year	Actual level of effort	Required level of effort	Notes
2012-2013	\$100	\$100	LEA met MOE requirement
2013-2014	\$90	\$90	LEA properly took exceptions and adjustment in 34 CFR §§300.204 and 300.205
2014-2015		\$90	Required level of effort is \$90 because LEA expended \$90 and met MOE in 2013-2014

**Table 2. LEA Did Not Maintain Effort in 2013-2014**

Fiscal Year	Actual level of effort	Required level of effort	Notes
2012-2013	\$100	\$100	LEA met MOE requirement
2013-2014	\$90	\$100	LEA did not maintain effort
2014-2015		\$100	Required level of effort is \$100 despite LEA's failure in 2013-2014

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*Examples of an Eligibility Analysis Based on a Combination of State and Local Funds*

**Table 3. LEA Maintained Effort in 2012-2013**

Fiscal Year	Actual level of effort	Required level of effort	Notes
2011-2012	\$130	\$130	LEA met MOE requirement
2012-2013	\$150	\$130	LEA met MOE requirement
2013-2014	\$90	\$90	Final expenditure data are not available when budgeting for 2014-2015
2014-2015		\$150	Required level of effort to budget for 2014-2015 is \$150 because LEA expended \$150 and met MOE in 2012-2013

**Table 4. LEA Did Not Maintain Effort in 2012-2013**

Fiscal Year	Actual level of effort	Required level of effort	Notes
2011-2012	\$130	\$130	LEA met MOE requirement
2012-2013	\$100	\$130	LEA did not maintain effort
2013-2014			Final expenditure data are not available when budgeting for 2014-2015
2014-2015		\$130	Required level of effort to budget for 2014-2015 is \$130 despite LEA's failure in 2012-2013

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## LEA MOE Exceptions

34 CFR §300.204 provides exceptions for:

- voluntary departure, by retirement or otherwise, or departure for just cause, of special education or related services personnel – hiring staff who fall lower on the pay scale;
- decrease in the enrollment of students with disabilities;
- termination of costly long-term purchases such as the acquisition of equipment or construction of school facilities;



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## LEA MOE Exceptions

- Termination of an exceptionally costly obligation to a particular child with a disability because the child
  - Has left the jurisdiction;
  - Has reached the age at which the obligation to provide FAPE to the child is terminated; or
  - No longer needs the program of special education
- Assumption of cost by a high cost fund operated by the SEA under 34 CRF §CFR 300.704(c)



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## Part B LEA Adjustments

With certain exceptions, for any fiscal year for which an LEAs Part B allocation under section 611 exceeds the amount the LEA received for the previous fiscal year, the LEA may reduce the level of expenditures otherwise required for MOE by not more than 50% of the amount of the excess

See 34 CFR §300.205(a)



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## Part B LEA Adjustments

An LEA is eligible to make the 50% reduction if the LEA:

- Receives an increase in section 611 funds
- “meets requirements” under the sec. 616 determinations
- Has not had action taken against it by the SEA under IDEA section 616
- Has not had responsibility for providing FAPE taken from it by the SEA
- Has not been found by the SEA to have significant disproportionality under 34 CFR §300.646

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## LEA MOE Exceptions

- In all the exceptions noted on the previous slides, appropriate and thorough documentation must be submitted in each case to support the amount, reason, and/or justification for the exception.

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## MOE Calculation – State/Local

- Include
  - Total Expenditures in funds 11, 12, 2X, 3X, 4X, 5X, 61 and 71
  - Projects 00YXX – 29YXX, 52YXX and 9XYXX
  - Program/Function code 2XXXX
- Exclude
  - Projects 04YXX, 00Y83
  - Program/Function Code 41471 (Gifted)
  - Object Codes 217 and 235

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## FUNDING OPPORTUNITIES FROM OSE




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## OSE Sources of Funding

- LEA & RESA Funding Applications
  - IDEA (Federal) (43YXX)
  - State Aid for Exceptional Students (02Y1X)
- Other LEA Funding Opportunities
  - Out-of-State – state (02Y2X)
  - Out-of-County – state (02Y6X)
  - High Cost/High Acuity – IDEA (43Y3X)/state (02Y5X)
  - Assistive Technology – IDEA (43Y3X)
  - Technology Integration Specialist – IDEA (43Y3X)
  - SLP Distance Education Program – IDEA (43Y3X)




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WEST VIRGINIA OFFICE OF SPECIAL EDUCATION FEDERAL AND STATE FUNDING OPPORTUNITIES

FUNDING SOURCE	APPLICATION	LINK TO WEBSITE	AMOUNT AVAILABLE	DUE DATE
	<b>LEA Reimbursement for Students</b>			
STATE	Out-of-State Instruction Placed by IEP Team	<a href="http://wvde.state.wv.us/osep/outofstate.html">http://wvde.state.wv.us/osep/outofstate.html</a>	\$300,000	Various
FEDERAL/STATE	High Cost / High Acuity	<a href="http://wvde.state.wv.us/osep/highcostexpenditures.html">http://wvde.state.wv.us/osep/highcostexpenditures.html</a>	\$2,335,989	August 15
STATE	Out-of-County Instruction Placed by OSE/OTC	<a href="http://wvde.state.wv.us/osep/outofcounty.html">http://wvde.state.wv.us/osep/outofcounty.html</a>	\$558,935	April 29
FEDERAL	Assistive Technology Supplemental Funding	<a href="http://wvde.state.wv.us/osep/assistivetechology.html">http://wvde.state.wv.us/osep/assistivetechology.html</a>	\$100,000	July 1 – June 30
	<b>LEA Reimbursement for Personnel</b>			
FEDERAL	Special Education Technology Integration Specialist	<a href="http://wvde.state.wv.us/osep/ETI060757.html">http://wvde.state.wv.us/osep/ETI060757.html</a>	\$100,000	April 25 to Valerie Wilson
FEDERAL	SLP Distance Education Program – SLP	Contact OSE for application	\$100,000	May 15 to OSE
FEDERAL/STATE	LEA Flow Thru Application	<a href="http://wvde.state.wv.us/osep/213101rprogplan.htm">http://wvde.state.wv.us/osep/213101rprogplan.htm</a>	\$75,938,320	July 1
FEDERAL/STATE	RESA Flow Thru Application	Applications provided to RESA representatives	\$5,101,054	July 1




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**LEA & RESA Applications**

- IDEA and State funding applications due June 30<sup>th</sup>
- Applications are being reviewed in the order in which they were received
- SE Director & CFO will receive an e-mail from the reviewer with the results and a review checklist
- Resubmit the plan by e-mail with the corrections
- When approved, an e-mail will be sent to the SE Director and CFO
- Plan is either fully approved or approved pending (WVEIS) budget revision



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**High Cost/High Acuity Expenditure Reimbursement**

- Funds available for the 2015-2016 applications:
  - \$835,989 IDEA and \$1,500,000 State
- Discussion on completion of the application will be offered during the SE afternoon breakout session



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**Assistive Technology**

- **\$100,000 Available Each Year**
- Provides reimbursement for the purchase of assistive technology devices. An invoice must be submitted with the application.
- Counties are required to ensure that assistive technology services and/or devices are a part of the student's Individualized Education Program (IEP)



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### Assistive Technology

- A revised application is made available each July and may be submitted at any time throughout the year *once expense is incurred*. Contact Annette Carey or Valerie Wilson for additional information. Application is available on the OSE website.

☐ [acarey@k12.wv.us](mailto:acarey@k12.wv.us) or [vwilson@k12.wv.us](mailto:vwilson@k12.wv.us)

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### Questions

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