



West Virginia DEPARTMENT OF
EDUCATION

Special Education/IDEA Finance Update

Presented by Josh McClung

Tuesday, July 11, 2023

1

Presentation Outline

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



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2

2

FY24 Special Education Funding



3

Entitlement Programs

Obligation Period: 7/1/23 – 9/30/25
Liquidation Deadline: 11/15/25

IDEA School Age Funding (Project 4341X)

- 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 4342X)

- 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 0241X)

- For students w/ exceptionalities ages 3-21
- **CAN** be used for gifted services



4

Reimbursement Programs

Out-of-State (Project 02Y2X)

- For SWDs placed in an out-of-state facility by their IEP teams (not court-ordered)
- 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 county that is not their home county
- 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 made available in May/June and due in August
- \$1.5 million of state funding and ~\$1 million of federal funding available



5

Competitive Grant Programs

Guideposts to Graduation (Project 4343X)

- For transition-age SWDs (ages 14-21)
- Federal funding available varies
- Applicants can apply for up to \$50,000 annually
- For program specific questions, contact Tonya Rutkowski (tonya.rutkowski@k12.wv.us)

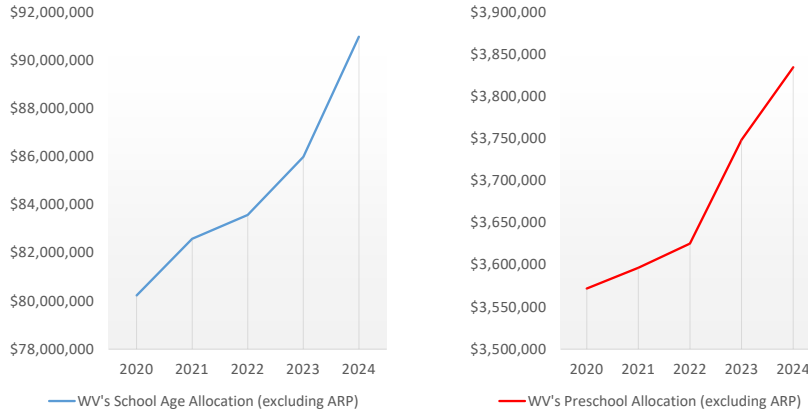
Assistive Technology (Project 4343X)

- To assist LEAs with SWDs requiring assistive technology
- Federal funding available varies
- For program specific questions, contact Lee Ann Brammer (lbrammer@k12.wv.us)



6

IDEA Funding Trends (Past 5 Years)



7

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.

All FY23 allocation adjustments have been made. Revised grant awards were released in January 2023.

FY24 allocations and grant awards will be adjusted for existing LEAs following the October 1 child count, if a new charter school opens. Expect to see those adjustments come through in December-January.



8

Maintenance of Effort (MOE)

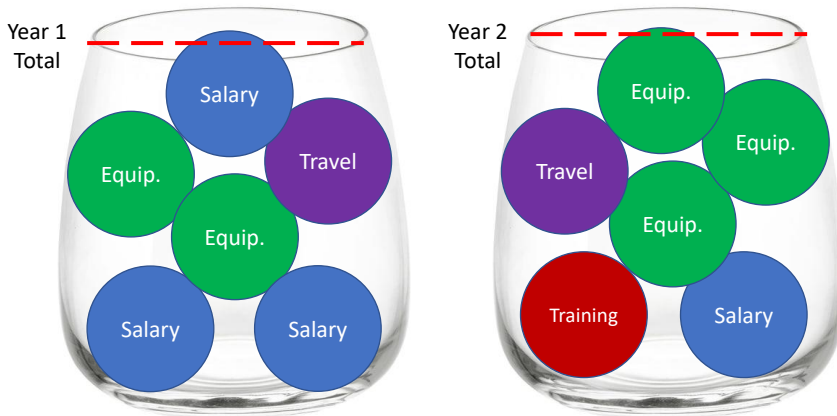
IDEA funding is intended to assist LEAs in meeting their financial obligation to provide special education and related services to students with disabilities. The amount of local or state and local funds expended to provide education to SWD determines the level of “effort” that must be maintained year-to-year.

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.



Maintenance of Effort

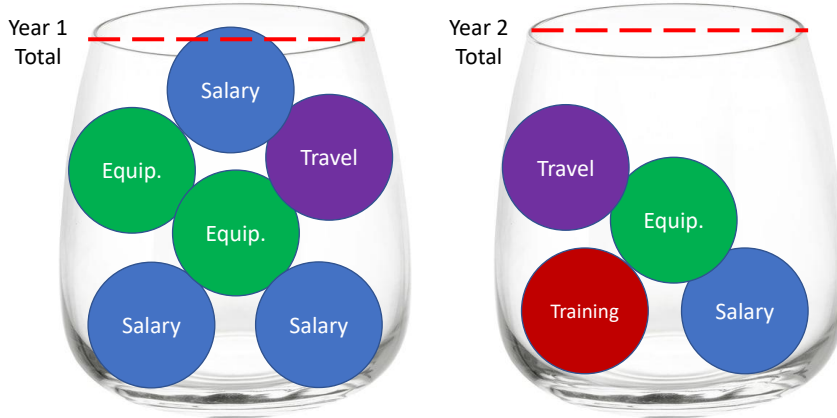


State & Local Expenditures for Special Education



Maintenance of Effort

FAIL



State & Local Expenditures for Special Education

MOE Eligibility and Compliance

Eligibility Test

- LEA must **budget** as much local or state & local funds for special education as spent the previous year
- Tested during the budgeting process

Compliance Test

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

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



13

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



14

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;



15

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).



16

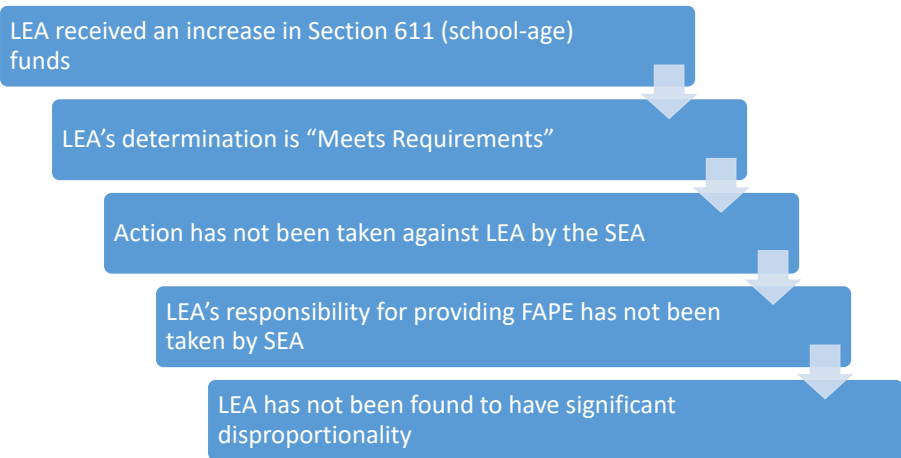
MOE Adjustment

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.

This was most commonly used with the American Recovery and Reinvestment Act (AARA) funds in 2009. This is something to look into with the supplement ARP funding from FY22.



Is your LEA eligible for the MOE adjustment?



MOE Implications of COVID-19

There will **NOT** be a waiver of MOE or Excess Cost requirements for IDEA as a result of the pandemic.

OSEP issued guidance documents and FAQs regarding IDEA flexibility to assist SEAs and LEAs navigating some of these concerns:

[QA on IDEA Fiscal Flexibilities, June 26, 2020 \(PDF\) \(ed.gov\)](#)

[QA Use of Funds Part B, June 25, 2020. \(PDF\) \(ed.gov\)](#)



19

Special Ed Finance Tools: MOE

LEAs can gather MOE Compliance data using the application on WVEIS 2.0 (formerly WOW). If you do not have the **SPE.MOE** menu, please get in touch with your county WVEIS contact.



20

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SPE, MOE: Maintenance of Effort

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STATE AND LOCAL FUNDS - COMPLIANCE TEST FOR FY 2022

	FY 20	FY 19	Increase or (Decrease)
1. Total Expenditures in funds 11, 12, 2X, 3X, 4X, 5X, 61, and 71, projects 00YXX, 29YXX, and 90YXX, Program/Function Code ZXXXX, including Program/Function Code 012F1 and Objects 217, 235	\$ 28,901,473.20	\$ 27,961,425.32	
2. Expenditures for OPEB were recorded to Program/Function Code XXXXX in 217, as applicable, subtract that total now		0	
3. LEA's Total Expenditures for Medicaid (Project 00Y83)	0.00	0.00	
4. If Medicaid expenditures were not recorded in project 00Y83, enter the total expended for Medicaid for SVD now.		0	
5. Reduction in MOE (if applicable) (Approved and verified by WVDE for FY 20)			
Must provide basis for Reduction (see Requirements link above)			
(Maximum characters: 250) You have 250 characters left			
TEST 1A 6. Total State and Local Expenditures (includes Medicaid, Gifted and OPEB ARC reported by CSBO)	28,901,473.20	27,961,425.32	940,047.88
TEST 1b 7. Total State and Local Expenditures Less Approved Reduction in MOE (approved for FY21 but subtracted from prior year amount)	28,901,473.20	27,961,425.32	940,047.88
TEST 2A 8. Child Count from previous December 1	4,250	4,312	
TEST 2B 9. Total State and Local expenditures on a per pupil basis	6,864.96	6,484.56	380.40
10. Total State and Local expenditures on a per pupil basis Less Approved Reduction in MOE on a per pupil basis	6,864.96	6,484.56	380.40

Downloading the LEA MOE Calculator Tool

To download the MOE calculator, go to cifr.wested.org/tools/lea-moe-calculator/ and click on the download icon.

Calculating LEA MOE

Register
The calculator will be periodically updated. Register to get alerts for updated versions. REGISTER

The LEA MOE Calculator v2.0

This Excel tool is designed to assist SEAs and LEAs in:

- Calculating whether an LEA has met the eligibility (budget) and compliance (expenditure) standards for MOE by using the four methods:
 - Total local funds
 - Total state and local funds
 - Local funds per capita
 - State and local funds per capita
- Identifying the appropriate comparison year and amount
- Accounting for exceptions and adjustments from current to past years
- Incorporating the "subsequent years" rule

Instructions

This PDF version of the calculator instructions may be useful to print before using the tool.

Instructions At a Glance

This one page printable document provides important reminders and tips for entering data into the calculator. Available in color and black and white.

Sample Calculator

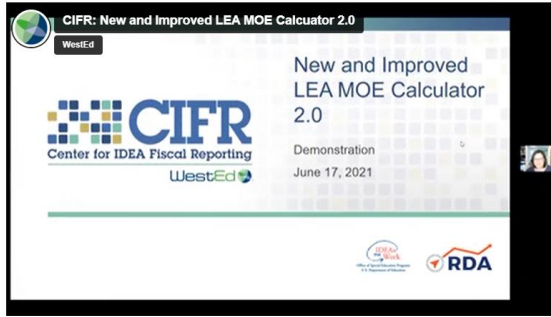
To help you learn how to use the tool, this calculator file contains sample MOE data for a hypothetical LEA.

For assistance with a prior version of the LEA MOE Calculator, contact us.

Courtesy of the Center for IDEA Fiscal Reporting (CIFR)

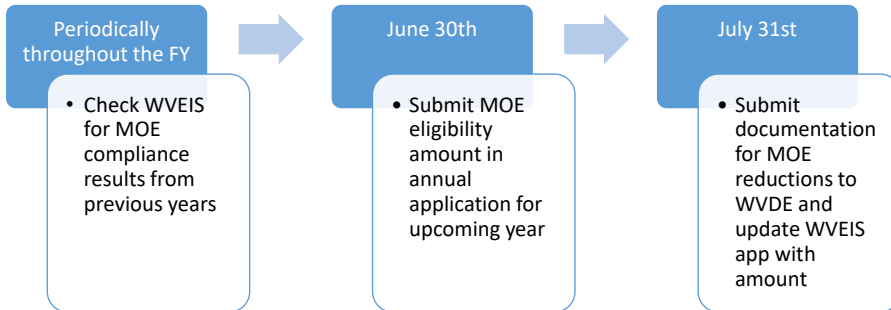
Using the LEA MOE Calculator Tool

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



23

LEA MOE Timeline



24

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.

Beginning in the 2023-2024 school year, 4 of the factors will be weighted more heavily. Those changes are circled on the following slides.



25

	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 Support	Very High	3
		Support	High	2
		On Watch	Medium	1
		No Identification	Low	0



26

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

What does your risk score mean?

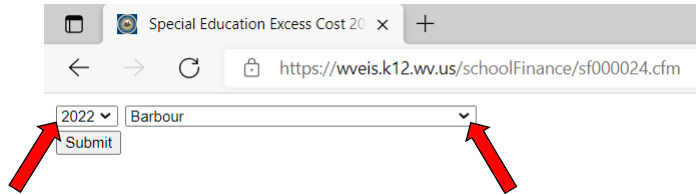
Risk Determination	Monitoring Activities	Risk Score
Very High Risk	On-site monitoring required	24 or more points
High Risk	Desk review required	21 to 23 points
Medium Risk	Need for desk review determined by support team	18 to 20 points
Low Risk	No additional monitoring required	17 or fewer points

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.

Special Ed Finance Tools: Excess Cost

LEAs can check their Excess Cost requirements at wweis.k12.wv.us/schoolFinance/sf000024.cfm



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.




Special Ed Finance Tools: Allowability

Our office is currently working on a guidance document, specific to WV, addressing allowable uses for IDEA funds. In the meantime, you can reference Wisconsin's document at the link below:

Allowable Costs for IDEA Funding

Symbol Key: Always allowed Allowed, but special requirements or additional information required

Symbol	Budget Item	Special Requirements or Additional Information
<input checked="" type="checkbox"/>	ADAPTIVE EDUCATION: Salary and fringe benefits.	The salary and fringe benefits of Adaptive Physical Education and teacher provides instruction to students with disabilities per the student's IEP requirements.
<input checked="" type="checkbox"/>	ADVERTISING: Costs associated with advertising in media such as newspapers, radio and television, direct mail, exhibits, electronic or computer transmittals.	Allowed for IDEA-related recruitment of personnel, procurement of goods and services, child find activities, and other specific purposes necessary to meet the requirements of the IDEA grant.



https://docs.google.com/document/d/1QP4laGJM7sP_1HSnoGBIPCmQixurP20LT41YSeYgFiw/edit?usp=sharing



Common Allowability Examples

CAN USE

- ✓ Special ed personnel
- ✓ Equipment and devices for SWDs
- ✓ Special ed-specific professional development

CANNOT USE

- ✗ General ed personnel that have SWDs in their classroom
- ✗ iPads for SWDs only
- ✗ Textbooks for SWDs only
- ✗ Cameras for self-contained classrooms



31

Additional Resources for LEAs

Center for IDEA Fiscal Reporting (CIFR) – cifr.wested.org

- LEA MOE Organizer
- Understanding LEA MOE PowerPoint Slides
- MOE Reduction Eligibility Decision Tree
- COVID-19 Fiscal Resources

Office of Special Education Programs (OSEP) – sites.ed.gov/idea

(This is the federal governing body for special education)

WVDE Office of Special Education - wvde.us/special-education/finance/



32

Personnel Changes

My final day at the WVDE will be July 28th. If any fiscal questions arise after that, please reach out to the contacts listed below.

For questions relating to **Special Education** grants, please contact:

Sheila Paitsel, Director

Special Education

sgpaitsel@k12.wv.us (304) 558-2696

For questions relating to **Project AWARE I/II** or **Oral Health** grants, please contact:

David Lee, Director

Student Support & Well-being

david.lee@k12.wv.us (304) 558-7805



33

Questions and Discussion

Thank you for your time!
Enjoy the rest of the conference!



34



West Virginia DEPARTMENT OF
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