



West Virginia DEPARTMENT OF
EDUCATION

Special Education/IDEA Finance Update

Presented by David Parkins

July 9, 2024

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

FY25 Special Education Funding

Entitlements

- IDEA
 - School-Age
 - Preschool
- State Aid for Special Education

Reimbursements

- Out-of-State Placements
- Out-of-County Placements
- High Cost/High Acuity

Competitive Grants

- Guideposts to Graduation
- Assistive Technology



Entitlement Programs

Obligation Period: 7/1/24 – 9/30/26
Liquidation Deadline: 11/15/26

IDEA School Age Funding (Project 4351X)

- 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 4352X)

- 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 0251X)

- For students w/ exceptionalities ages 3-21
- **CAN** be used for gifted services--please use 41471 program function in FY 25 since 21271 is no longer an option in the chart of accounts.

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 LEA** that is not their home LEA
- 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 in May/June and due in August (**due 9/10/24 this year**)
- \$1.5 million of state funding and ~\$1 million of federal funding available

High Cost/High Acuity Funding Available for Reimbursement-2024

IDEA Funding = \$1,049,285

State Appropriated Funding = \$1,500,000

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 24 costs \geq \$43,668 annually (approx. 3 x average per pupil expenditure \$14,556)
 - **court-ordered out-of-state placements**: students in Oct 2022 child count only (WVDE will send list to SE Director). WVEIS printout required to prove enrollment.

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-county funding reimbursement mechanisms.



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



SWD Served in District with Costs that Meet or Exceed \$43,668 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, 2023-June 30, 2024.
- 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 \$44,000 but with eligible reimbursement from Medicaid at \$10,000 meets the minimum expenditure criteria. However, the amount eligible for reimbursement will be calculated at \$34,000.



Application & Instructions

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



Competitive Grant Programs

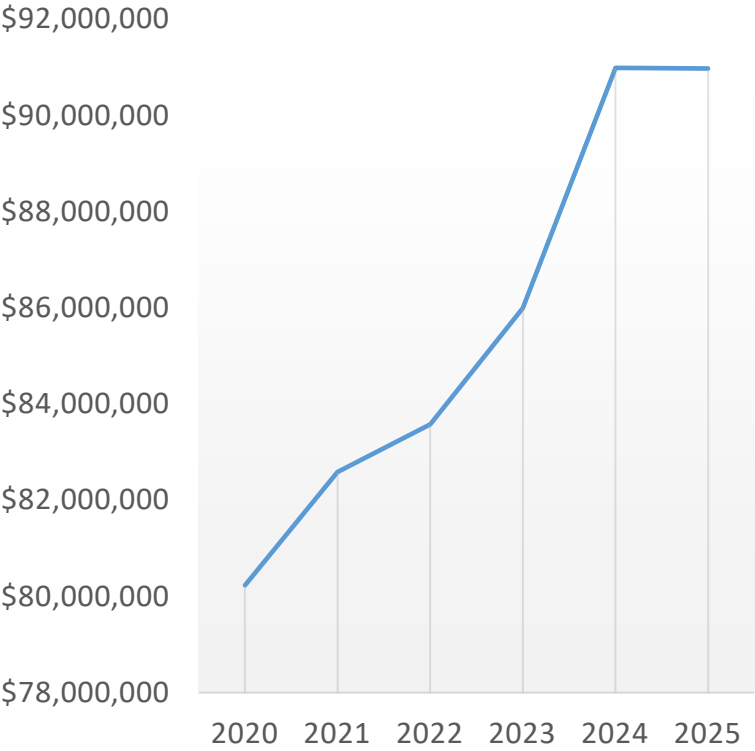
Guideposts to Graduation (Project 4353X)

- 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)

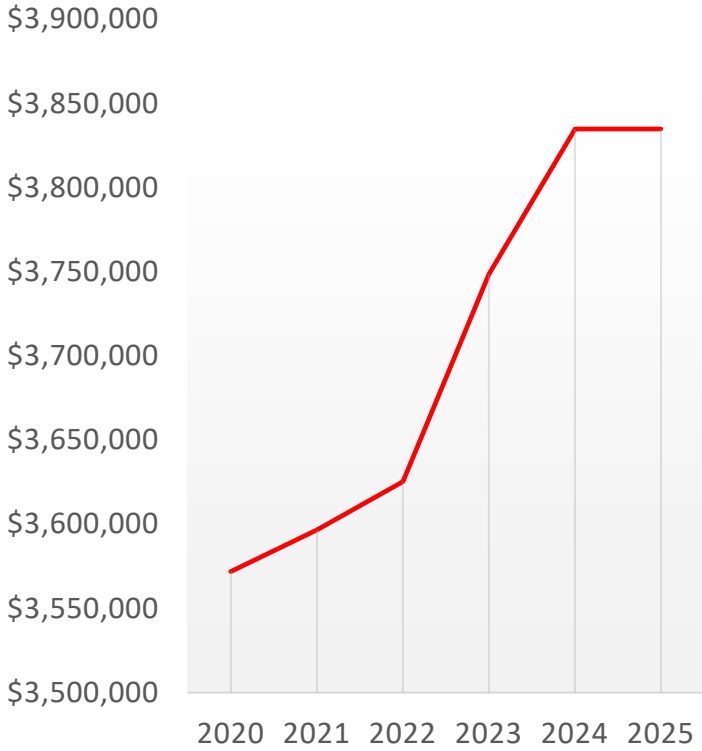
Assistive Technology (Project 43Y3X or 43Y5X)

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

IDEA Funding Trends (Past 6 Years)



— WV's School Age Allocation (excluding ARP)



— WV's Preschool Allocation (excluding ARP)



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.

FY25 allocations and grant awards will be adjusted for existing LEAs following the October 1 child count for charter schools opening this year. Anticipate those adjustments to come through in December-January.

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.

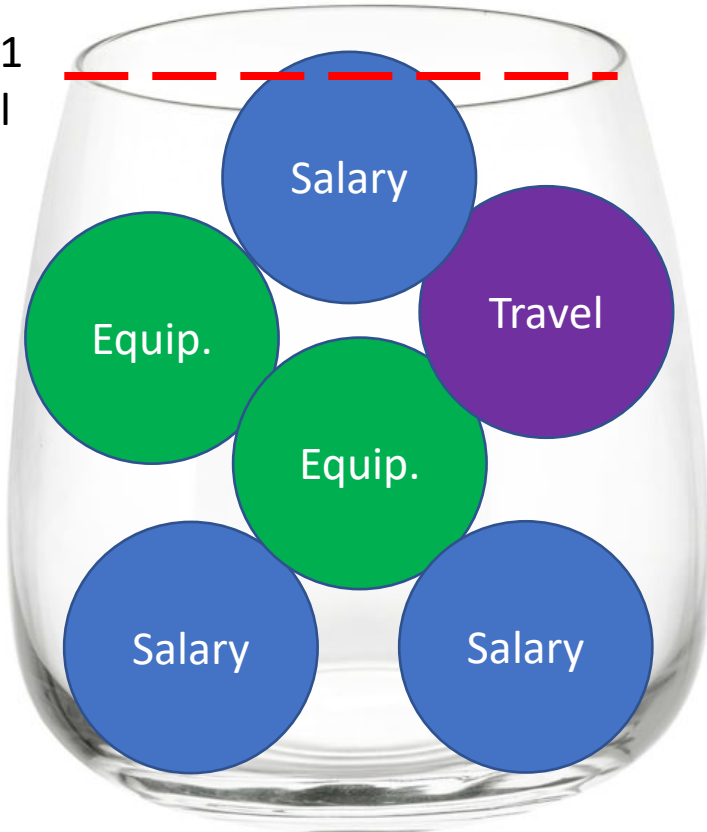
This is the “Supplement, not Supplant” test for IDEA.

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.

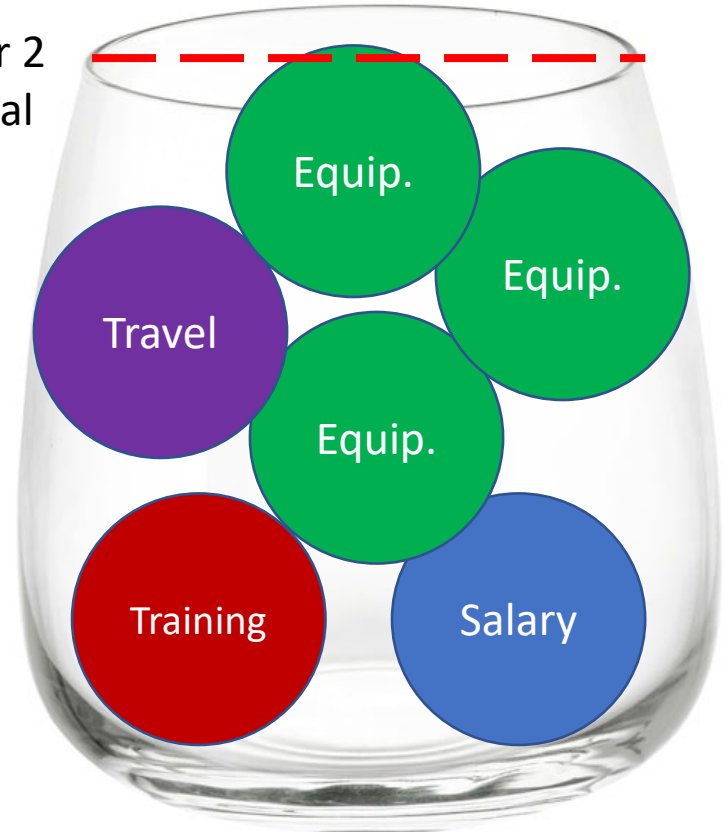
Maintenance of Effort



Year 1
Total



Year 2
Total

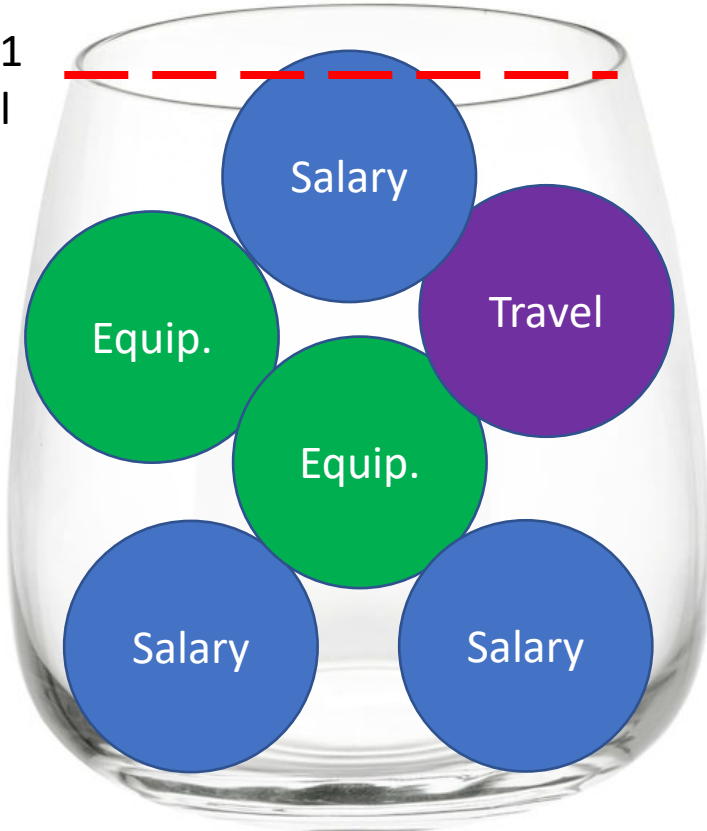


State & Local Expenditures for Special Education

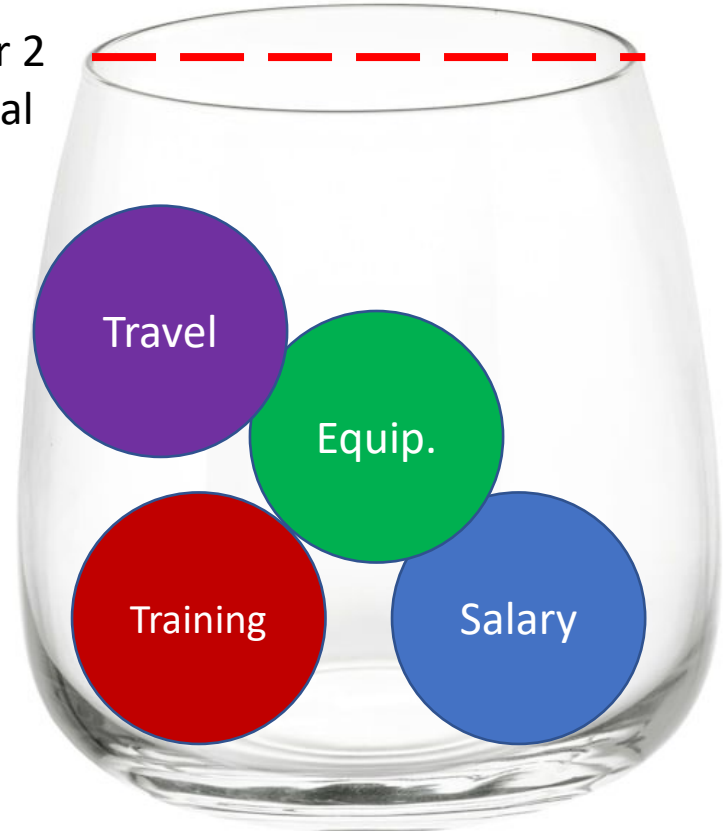
Maintenance of Effort

FAIL

Year 1
Total



Year 2
Total



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

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

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;

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).

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.

Is your LEA eligible for the MOE adjustment?

LEA received an increase in Section 611 (school-age) funds

LEA's determination is "Meets Requirements"

Action has not been taken against LEA by the SEA

LEA's responsibility for providing FAPE has not been taken by SEA

LEA has not been found to have significant disproportionality

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.

The screenshot shows the WVEIS (West Virginia Department of Education) interface. The top navigation bar includes 'Home', 'Menus', 'Active', 'Recent', 'Support', 'Contact', 'Reports', 'Print', 'Exit', and 'Logout'. The 'Application Software' section is expanded, showing a list of products and programs. A red arrow points to the 'SPE.MOE' option under the 'Special Education Maintenance' category.

Products	Menus	Programs	
<input type="checkbox"/> _USER	User Self-Administration		☆
	<input type="checkbox"/> USER	User Self-Administration	☆☆
<input type="checkbox"/> * SMS	Student Management System		☆☆
	<input type="checkbox"/> *SMS500	Student Discipline System	☆☆
<input type="checkbox"/> * SPE	Special Education System		☆☆
	<input type="checkbox"/> *SPE100	Special Education Maintenance (No programs available in SPE100.)	☆☆
	<input type="checkbox"/> *SPE200	Special Education Reports	☆☆
		* IEP.UPLD IEP Upload Application	☆☆
		* SE.FORMS Special Education Fillable Forms	☆☆
		* SPE.ADA Annual Desk Audit	☆☆
		* SPE.MOE Maintenance of Effort	☆☆
<input type="checkbox"/> * WVR	West Virginia State Reporting		☆☆
	<input type="checkbox"/> *CFM999	ColdFusion Testing Menu	☆☆
	<input type="checkbox"/> *WVRCTE	Career Technical Education	☆☆
	<input type="checkbox"/> *WVRFP	Office of Federal Programs	☆☆
	<input type="checkbox"/> *WVROEL	Office of Early Learning	☆☆
	<input type="checkbox"/> *WVROSF	Office of School Finance	☆☆
	<input type="checkbox"/> *WVR100	State Reporting	☆☆
	<input type="checkbox"/> *WVR500	Early Warning Indicator System	☆☆

Maintenance of Effort



- Compiences
- LEA-Special Education
 - ★ LEA-MOE 2024
 - ★ State/Local
 - ★ Local Funds
 - ★ LEA-MOE 2023
 - ★ State/Local
 - ★ Local Funds
 - ★ LEA-MOE 2022
 - ★ State/Local
 - ★ Local Funds

STATE AND LOCAL FUNDS - COMPLIANCE TEST FOR FY 2022

[Requirements](#) [Resource](#)

	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 9XYXX, Program/Function Code 2XXXX, (Excluding Program/Function Code 21271 and Objects 217, 235.	\$ 28,901,473.20	\$ 27,961,425.32	
2. Expenditures for OPEB were recorded to Program/Function 2XXXX but not in 217 as applicable, subtract that total now.	<input type="text"/>		0
3. Less 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 SWD now.	<input type="text"/>		0
5. Reduction in MOE (if applicable) (Approved and verified by WVDE for FY 20)		<input type="text"/>	

Must provide basis for Reduction (see Requirements link above)

(Maximum characters: 250)

You have characters left.

TEST 1A

6. Total State and Local Expenditures (Excludes Medicaid, Gifted and OPEB ARC reported by CSBO)

28,901,473.20	27,961,425.32	940,047.88
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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
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TEST 2A

8. Child Count from previous December 1
9. Total State and Local expenditures on a per pupil basis

4,210	4,312	
6,864.96	6,484.56	380.40

TEST 2B

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
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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 any of 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

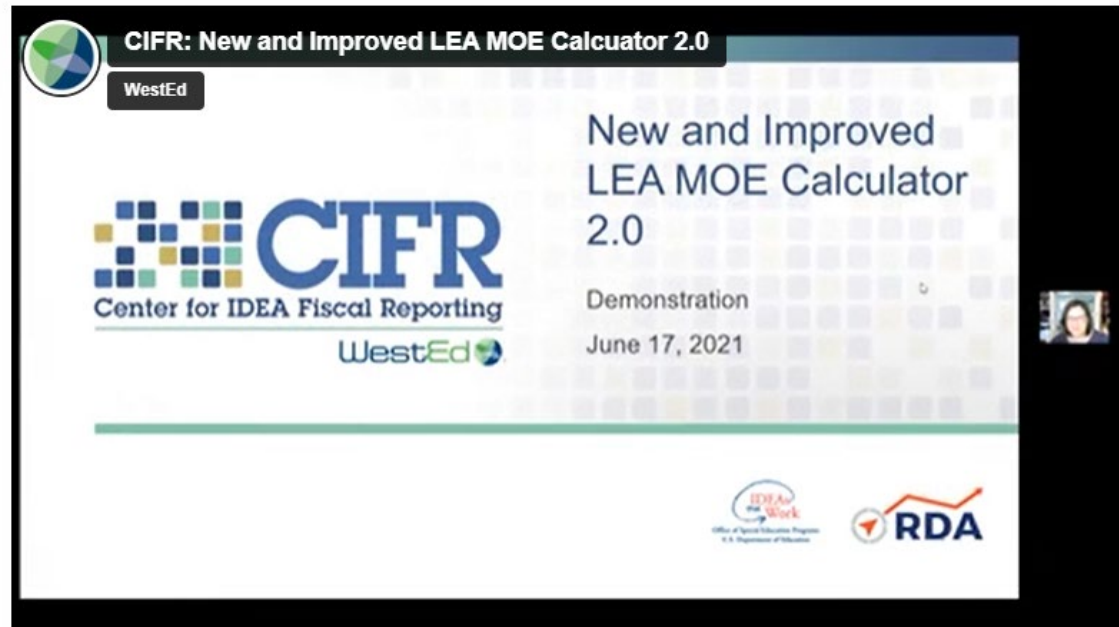
To help you learn how to use the tool, this calculator file contains sample MOE data for a hypothetical LEA.

For assistance with a prior version of the LEA MOE Calculator, [contact us](#).

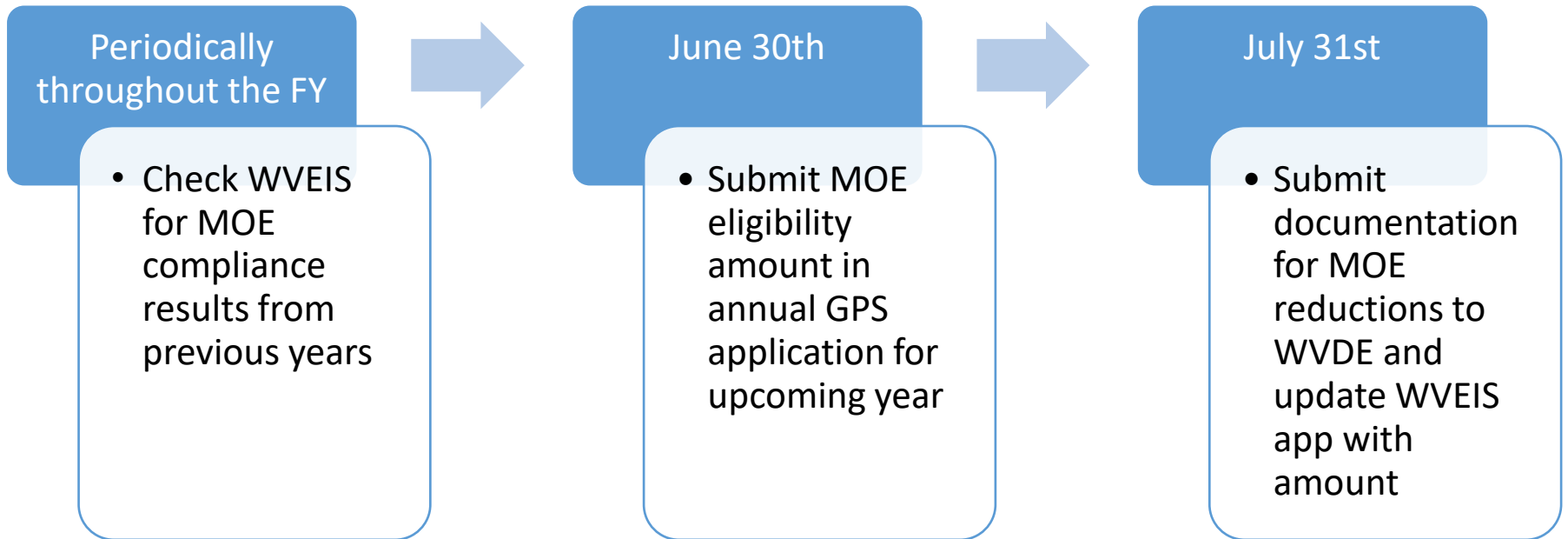
Courtesy of the Center for IDEA Fiscal Reporting (CIFR)

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/>.



LEA MOE Timeline



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, 4 of the factors were weighted more heavily. Those factors are circled on the following slides.

	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



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

The screenshot shows a web browser window with the following elements:

- Browser tab: Special Education Excess Cost 20
- Address bar: <https://wweis.k12.wv.us/schoolFinance/sf000024.cfm>
- Form fields:
 - A dropdown menu showing '2022' with a downward arrow.
 - A text input field containing 'Barbour' with a downward arrow on the right side.
 - A 'Submit' button below the dropdown menu.
- Two red arrows pointing to the '2022' dropdown and the 'Barbour' input field.

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

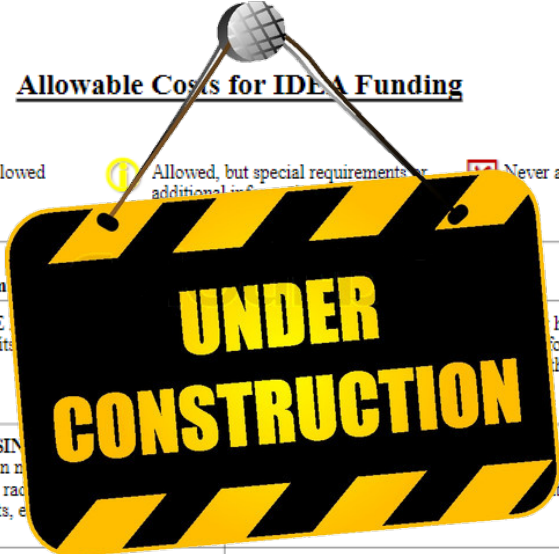
Our office is currently working on a guidance document, specific to WV, addressing allowable uses for IDEA funds. In the meantime, you can reference Wisconsin's document at the QR code below:

Allowable Costs for IDEA Funding

Symbol Key:

- Always allowed
- Allowed, but special requirements or additional info
- Never allowed

Symbol	Budget Item	Description
<input checked="" type="checkbox"/>	ADAPTIVE fringe benefits	holding a license for for the time the with disabilities per the
<input checked="" type="checkbox"/>	ADVERTISING advertising in newspapers, radio, mail, exhibits, e-transmittals.	personnel, procurement and other specific items of the IDEA grant.



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

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

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

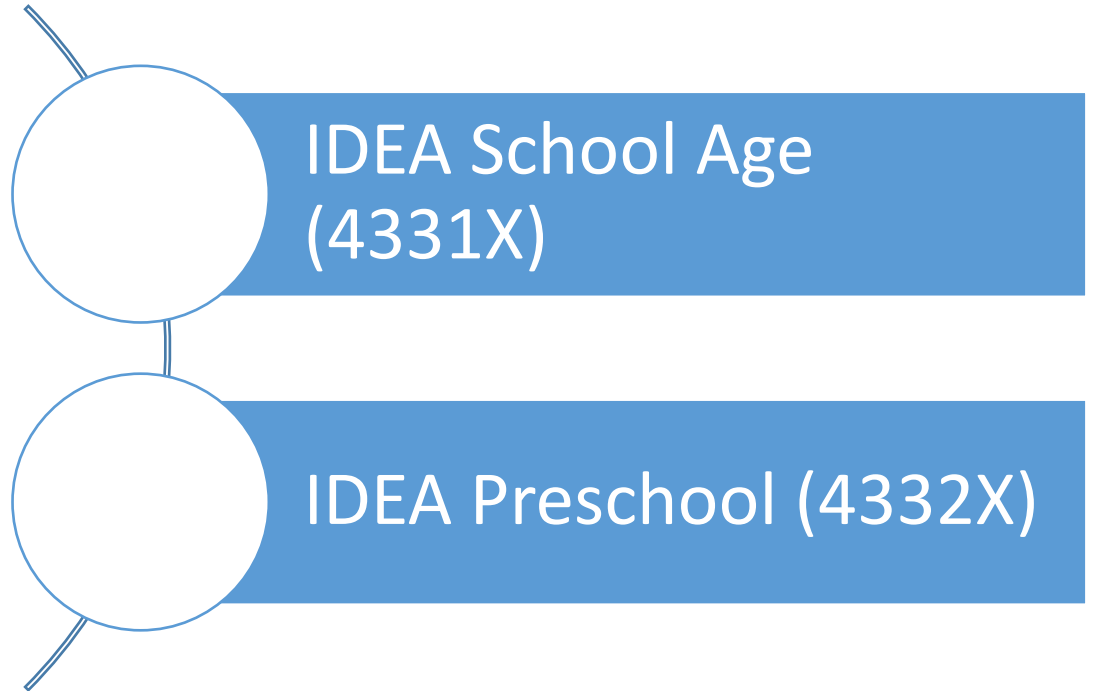
(This is the federal governing body for special education)

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

Expiring FY23 Special Ed Funds



This federal funding is expiring **September 30, 2024**. All obligations need to be made by then and all drawdown requests need to be submitted to the WVDE by **November 15, 2024**.



Questions and Discussion

Thank you for your time!





West Virginia DEPARTMENT OF
EDUCATION

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