



West Virginia DEPARTMENT OF
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Office of Special Education Finance Update

Presented by Josh McClung, MBA

Monday, July 12, 2021

Agenda

- Special Education Funding
- IDEA/ARP Update
- IDEA and State Aid Application Update
- Maintenance of Effort
- OSE Finance Tools
- Additional Resources
- Questions



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Special Education Funding Sources

Entitlements

- IDEA
 - School-Age
 - Preschool
- State Aid

Reimbursements

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

Other Grants

- Assistive Technology
- Misc. IDEA discretionary grants



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ARP Supplement to IDEA

The American Rescue Plan (ARP) signed by President Biden on March 11, 2021 included \$2.7 billion in supplement funding for IDEA.

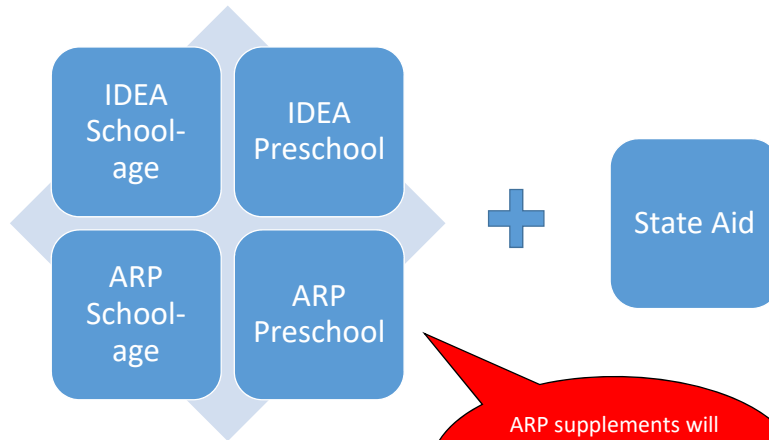
- WVDE received over \$15 million of this funding to flow-through to LEAs in FY22
- LEAs will be receiving two additional grant awards this year as a result
- This is a one-time funding source - LEAs should not plan to receive these additional funds in their IDEA allocations after FY22
- ARP IDEA funding will use project code 52Y8X, and will be tracked separately from normal IDEA funding



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Entitlement Grants for FY22



IDEA and State Aid Application Update

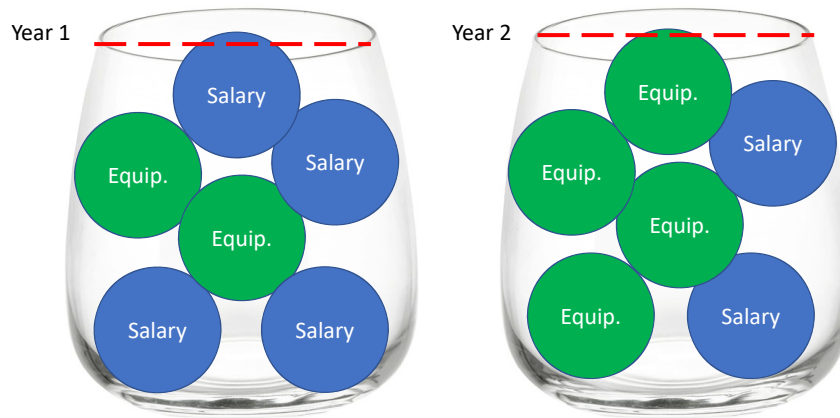
- Applications were due in GPS on June 30th - **If your LEA has not submitted an application, please do so ASAP.**
- Applications are being reviewed in the order in which they were received
- SE Director and CSBO will receive an e-mail once the application has been reviewed
- Any items that need corrected will be noted in GPS
- Once corrections are made, please resubmit the application
- SE Director and CSBO will receive an e-mail once the application has been approved
- Once your Superintendent approves in GPS, grant awards will be released

Maintenance of Effort

- 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 as long as 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



MOE Eligibility and Compliance

Eligibility Test

- LEA must **budget** as much local or state/local funds for special education as spent the previous year

Compliance Test

- LEA must **spend** as much local or state/local funds for special education as the previous year

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

- 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 left the jurisdiction, aged out of special education, or 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

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 will definitely be something to look into with the supplement ARP funding this year.



MOE Adjustment Eligibility

LEA received an increase in Section 611 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



COVID-19 MOE Implications

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. \(PDF\) \(ed.gov\)](#)



OSE Finance Tools

LEAs can check MOE Compliance using the application in WVEIS → SPE.MOE

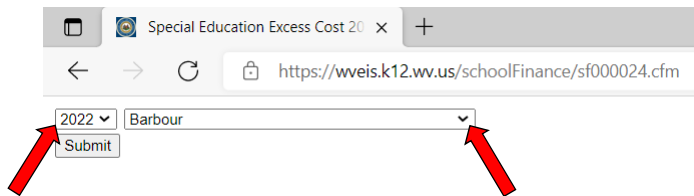
The screenshot shows the WVEIS 'Application Software' menu. The 'SPE' category is expanded, and 'SPE200 Special Education Reports' is selected. Within this category, 'SPE.MOE Maintenance of Effort' is highlighted with a red arrow. Other items in the menu include 'User Self-Administration', 'Student Management System', 'Student Discipline System', 'Special Education System', 'Special Education Maintenance', 'Special Education Reports', 'ColdFusion Testing Menu', 'Career Technical Education', 'Office of Federal Programs', 'Office of Early Learning', 'Office of School Finance', 'State Reporting', and 'Early Warning Indicator System'.

The screenshot displays the 'MAINTENANCE OF EFFORT CALCULATION STATE AND LOCAL FUNDS - COMPLIANCE TEST FOR FY 2022' page. A red circle highlights the left sidebar containing 'Compliances' and 'LEA-Special Education' with sub-items for LEA-MOE 2024, 2023, and 2022, each with 'State/Local' and 'Local Funds' options. Another red circle highlights the calculation table, which compares FY 20 and FY 19 expenditures and provides a compliance test result.

	FY 20	FY 19	Increase or (Decrease)
1. Total Expenditures in funds 11, 12, 2X, 3X, 4X, 5X, 61, and 71, (Excluding Program/Function Code 21271 and Objects 217, 235)	\$ 28,901,473.20	\$ 27,961,425.32	
2. If expenditures for OPEB were recorded to Program/Function 2X00X but not to 217 as applicable, subtract that total now.		0	
3. Less: Total Expenditures for Medicaid (Project 01y63)	0.00	0.00	
4. If Medicaid expenditures were not recorded in project 00Y83, enter in total expended for Medicaid for SVID 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 (Excludes Medicaid, OPEB 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	4,210	4,312	
9. Total State and Local expenditures on a per pupil basis	6,854.96	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	6,854.96	6,484.56	380.40

OSE Finance Tools

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



Choose the Year and County on the drop down menu and "Submit."
You'll need to look at this annually for your IDEA & State Aid Application.

OSE Finance Tools: In-the-Works

- Updating website to mirror our General Supervision elements
- Integrating more of our funding applications into GPS
- IDEA Use-of-Funds Document
 - Until it is live, CSBOs and SE Directors can refer to this document, prepared by our friends in Wisconsin - [Allowable Costs for IDEA Entitlement and IDEA Recovery Grants \(waunakee.k12.wi.us\)](https://waunakee.k12.wi.us)



Additional Resources

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

- LEA MOE Organizer
 - Understanding LEA MOE PowerPoint
 - MOE Reduction Eligibility Decision Tree
 - COVID-19 Fiscal Resources
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- Office of Special Education Programs (OSEP) – sites.ed.gov/idea
 - WVDE Office of Special Education - wvde.us/special-education/finance/



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