

FY 2014
SPECIAL EDUCATION FUNDING MANUAL
FOR THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT
(IDEA) PART B

OSDE-SES



Effective Date – July 1, 2013

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SPECIAL EDUCATION FUNDING MANUAL

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Introduction to IDEA Part B Funding

Federal legislation enacted in 1975 (Education for All Handicapped Children's Act, Part B, as amended, Public Law (P.L.) 101-476, P.L. 98-199 and P.L. 99-457) provides funds for special education and related services to local educational agencies (LEA) through the Oklahoma State Department of Education (OSDE). In 1990, P.L. 101-476 amended the wording from Education of the Handicapped Children's Act to Individuals with Disabilities Education Act (IDEA). On June 4, 1997, the IDEA Amendments of 1997 were enacted into law as P.L. 105-17.

On December 3, 2004, the IDEA Amendments of 2004 were enacted into law as P.L. 108-446. This fiscal year, most IDEA Part B funds will be awarded on the basis of noncompetitive application. Funds are awarded to the OSDE 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.

Flow-through funds will be awarded on a formula based on the number of children with disabilities aged three through 21 served on December 1, 1999, as well as the total student enrollment in the LEA (in both public and private schools located in the LEA) and the poverty level of the LEA (defined as the free and reduced lunch count within the LEA).

Section 619, or Preschool, (P.L. 94-112 as amended by P.L. 99-457, 102-119, 105-17, and 108-446) funds are earmarked for children with disabilities aged three through five, and are awarded on a formula based on the number of children with disabilities aged three, four, and five served on December 1, 1999, as well as the total enrollment in the LEA (in both public and private schools located in the LEA) and the poverty level of the LEA (defined as the free and reduced lunch count within the LEA).



Timelines for Submission of Applications

Assurances must be submitted online no later than **Friday, June 28, 2013** (34 CFR § 300.200). The local education agency's (LEA) application for funds must be submitted by **Friday, September 27, 2013**. Funds must be obligated during the period of the project, which is **Monday, July 1, 2013, through Monday, June 30, 2014**. Current Year Allocation Notices will be posted on the School District Reporting Site (SDRS).

Note: Expenditure reports (i.e., claims) will not be reimbursed prior to the approval of the LEA's Consolidated Budget Application for Federal Special Education Funds.

State Submission Requirements

- Each LEA must submit Assurances by **Friday, June 28, 2013**.
- Each LEA is required to submit the *LEA Implementation Agreement* by **Friday, June 28, 2013**.
- Each LEA is required to submit the *Individuals with Disabilities Education Act (IDEA) Part B Consolidated Application* by **Friday, September 27, 2013**.
- Each LEA is required to collect a child count, by **Tuesday, October 1, 2013**, of children with disabilities age 3 through 21 on individualized education programs (IEP).
- Each LEA is required to submit the *End of Year Data Report* by **Friday, July 5, 2014**.
- Each LEA must submit other data (as required).

School is in Session
Please Plan Carefully



Oklahoma State Department of Education (OSDE)

IDEA Fiscal Accountability Overview

The OSDE must ensure fiscal accountability at each phase in the distribution and use of the Individuals with Disabilities Education Act (IDEA) Part B funds.

The purpose of the OSDE's online IDEA Funding Manual is to provide a comprehensive overview of fiscal policies, procedures, and mechanisms by which the OSDE accounts for the IDEA funds requirements, including:

Use of Amounts

- Ensure LEAs use the IDEA funds only to pay excess costs of providing special education and related services to children with disabilities [34 CFR §§300.16 & 300.202]
- Ensure the IDEA funds are used to supplement and not supplant State, local, and other federal funds [34 CFR §§300.162(c), 300.202(a)(3)]
- Ensure that funds provided to an LEA under Part B must not be used to reduce the level of expenditures for the education of children with disabilities made by the LEA from local funds below the level of those expenditures for the preceding fiscal year [34 CFR §§300.203]
- Ensure proper use of exceptions and adjustments to maintenance of effort [34 CFR §§300.204 - 300.205]
- Prohibit reduction in the level of expenditures under 34 CFR 300.205(a) if LEA is not meeting Part B requirements [34 CFR §300.608(a) & 34 CFR §300.205(c)].

Allowable Costs

- Ensure that costs are necessary, reasonable, and allocable [OMB Circular A-87, EDGAR 34 CFR §80.22]
- Time and Effort Reporting [OMB Circular A-87]
- Equipment/Inventory Control [EDGAR 34 CFR §§80.32].

Private School Proportionate Share

- Ensure that LEAs properly determine the proportionate share of IDEA funds to be spent on equitable services [34 CFR §300.133]
- Ensure proportionate share funds do not benefit a private school [34 CFR §300.141]
- Ensure appropriate use of public and private school personnel [34 CFR §300.142]
- Ensure LEAs control and administer the funds used to provide equitable services and hold title to and administer materials, equipment, and property purchased with those funds [34 CFR §300.144(a)].

Coordinated Early Intervening Services

- Permit LEAs to use funds to develop and implement coordinated early intervening educational services (CEIS) in accordance with 34 CFR §300.226 [34 CFR §300.208(a)(2)]
- Require any LEA identified as having significant disproportionality to reserve the maximum amount of funds to provide CEIS [34 CFR §300.646(b)(2)]
- Ensure that LEAs using CEIS funds use those funds in accordance with 34 CFR §300.226(b) and annually report in accordance with 34 CFR §300.226(d) [34 CFR §300.226].

Schoolwide Programs

- Ensure appropriate calculation and use of funds for schoolwide programs under section 1114 of the Elementary and Secondary Education Act (ESEA) [34 CFR §300.206 (a) & (b)]
- Ensure LEAs using Part B funds for schoolwide programs provide children with disabilities services in accordance with a properly developed individualized education program (IEP) and all the rights and services afforded under the IDEA [34 CFR §300.206(c)].

Additional Fiscal Requirements

- Timely Obligation and Liquidation [EDGAR 34 CFR §§76.703, 76.707-76.710 & 34 CFR §80.23]
- Financial Management Systems [EDGAR 34 CFR §80.20 & EDGAR 34 CFR §76.702]
- Annual A-133 Audit [EDGAR 34 CFR §80.26 & OMB Circular A-133]
- Cash Management/Efficient Transfers [31 CFR Part 205]
- LEA Application and Assurances [34 CFR §300.200 & EDGAR 34 CFR §§76.400 - 76.401 & GEPA 34 CFR §300.221]
- LEA Policies, Practices, and Procedures [34 CFR §300.201]

Allocations to LEAs

Each year Oklahoma receives grants under Section 611 of the IDEA. The manner in which the amount of the State allocation is determined, as well as the required maximum and minimum amounts for

- State Administration
- Other State-level activities
- High Cost fund and
- Sub-awards to LEAs

is outlined in 34 CFR §300.703 of the IDEA regulations.

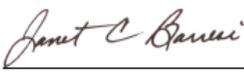
After setting aside necessary and allowable amounts for state administration and other state-level activities (as described in 34 CFR §300.704(b), the Oklahoma State Department of Education (OSDE) must allocate the remainder of the grant as flow-through sub-awards to Oklahoma LEAs. The funding formula that the state is required to use in calculating these sub-awards is outlined in 34 CFR §300.705.

The funding formula may be summarized as follows:

- Each LEA receives a **base payment**. This is a predetermined amount equal to 75% of the total grant that the state received in FY 1999-2000. The base amount for individual LEAs was determined according to the funding formula that was applied to the total in 1999. However, as new charter LEAs come into existence each year, the base amounts of individual districts is adjusted based on a determination of which districts would have otherwise been responsible for providing services to the children in special education in the new charter LEAs.

- The remainder of the total after this base amount is allocated, is distributed as follows:
 - 85% on the basis of the relative numbers of children enrolled in public and private elementary schools and secondary schools within the LEA’s jurisdiction.
 - 15% on the basis of their relative numbers of children living in poverty, as determined by the State education agency (SEA).

Here is an example of the allocation notice that the SEA receives from the U.S. Department of Education.

Oklahoma State Department of Education Janet Barresi, State Superintendent of Public Instruction		04/11/2013
U.S. DEPARTMENT OF EDUCATION		
SPECIAL EDUCATION FLOW THROUGH INDIVIDUAL WITH DISABILITIES EDUCATION ACT, PART B (P.L. 108-446)		
Revised Allocation Notice		
Project Code: 621 Fund: 11 CFDA #: 84.027A		
2013		
99 STATEWIDE <hr style="border: 0; border-top: 1px solid black;"/> County	9999 SDE <hr style="border: 0; border-top: 1px solid black;"/> District	
Original LEA FY 2013 Current Year Allocation		0.00
Total available for obligation:		\$0.00
CY Grant Award #: H027A120051 CO1 Grant Award #: CO2 Grant Award #:		
Authorized by State Superintendent of Public Instruction		

Requirements for Use of Special Education Federal Funds Permissive Use of Funds (34 CFR § 300.208)

Federal Requirements

- Each LEA must have in effect **policies and procedures** that are consistent with the State policies and procedures and demonstrates to the satisfaction of the SEA that it meets those conditions (34 CFR § 300.201).
- Each LEA must be able to establish and **maintain a program** of sufficient size and scope to effectively meet the needs of children with disabilities (34 CFR § 300.223).
- Each LEA must meet the **excess cost requirement** (34 CFR § 300.202).
 - Amounts provided to an LEA under IDEA Part B may be used only to pay the excess cost of providing special education and related services to children with disabilities.
 - Excess costs are those costs of special education and related services that exceed the minimum amount.
- If an LEA can show that it has (on average) spent the minimum amount for the education of each of its children with disabilities, it has met the excess cost requirement, and all additional costs are excess. The IDEA Part B funds can then be used to pay for these additional costs.

Helpful Tips for Determining Excess Costs

For a particular cost to be allowed, it must be an excess cost of providing special education and related services. Only allowed costs may be charged to IDEA Part B or Preschool grants.

When determining whether a cost is an excess cost, ask the following guiding questions:

In the absence of special education needs, would this cost exist?

If the answer is...

- No, then the cost is an excess cost and may be eligible.
- Yes, then the cost is not an excess cost and is not allowed.

Is this cost also generated by students without disabilities?

If the answer is...

- No, then the cost is an excess cost and may be eligible.
- Yes, then the cost is not an excess cost and is not allowed.

If it is a child specific service, is the service documented in the student's IEP?

If the answer is...

- Yes, then the cost is an excess cost and may be eligible.
- No, then the cost is not an excess cost and is not allowed.

➤ Funds provided to an LEA under IDEA Part B may be used for the following activities:

- Services and aids that also benefit nondisabled children. They may also be used for the costs of special education and related services and supplementary aids and services provided in a regular class or other education-related setting to a child with a disability in accordance with the IEP of the child, even if one or more nondisabled children benefit from those services.
- To develop and implement fully coordinated, early intervening educational services in accordance with 34 CFR § 300.226.
- To establish and implement cost or risk sharing funds, consortia, or cooperatives for the local educational agency itself, or for LEAs working in a consortium of which the LEA is a part, to pay for high cost special education and related services.

➤ An LEA must not –

- Commingle IDEA Part B funds with State funds 34 CFR § 300.162(b);
- Supplant IDEA Part B funds 34 CFR § 300.162(c); and
- Reduce maintenance of effort unless attributing reductions apply 34 CFR § 300.203.

➤ Each LEA must meet the **non-supplanting requirement** [34 CFR § 300.162].

- IDEA Part B funds must be used by the LEA to supplement the level of federal, state, and local funds expended for special education and related services provided to children with disabilities and in no case to supplant these federal, state, and local funds.

➤ Each LEA must meet **maintenance of effort** requirements [34 CFR §§ 300.203 through 300.205 and 34 CFR § 300.222].

- Funds provided to the LEA under IDEA Part B may not be used to reduce the level of expenditures for the education of children with disabilities made by the LEA from local funds below the level of those expenditures for the preceding fiscal year.
- To meet the maintenance of fiscal effort requirements, an LEA must be able to document that it expended an equal amount of local funds only or the combination of state and local funds for special education and related services as it did the preceding fiscal year. Whereas ESEA has a 10 percent rule (i.e., it only requires a 90%

matching of prior year funds), IDEA requires that, at least, the full amount or 100% be expended.

- An LEA that relies on local funds only for any fiscal year must ensure that the amount of local funds it budgets for the education of children with disabilities in that fiscal year for which information is available and Local funds only were used to establish its compliance with maintenance of effort (MOE).
- *If the OSDE-SES finds that an LEA has failed to comply with maintenance of effort requirements, the SEA will find the LEA in noncompliance and issue a citation for maintenance of effort.*
 - Maintenance of effort is calculated on the total expenditures of the district for special education and on the per capita amount spent on children receiving special education services, as reported by the LEA.
 - If both the total amount and the per capita amount decreased in the second year, the LEA has failed to meet the maintenance of effort requirement.
 - If the LEA receives notification that the maintenance of effort requirement has not been met, an opportunity will be provided for the LEA to submit documentation to demonstrate that one or more of the five exceptions to maintenance of effort apply. If documentation supports the exception, the amount by which the district did not meet maintenance of effort will be reduced.
- According to 34 CFR § 300.204, an LEA may reduce the level of expenditures under IDEA Part B below the level of those expenditures for the preceding fiscal year if the reduction is attributable to:
 - The voluntary departure, by retirement or otherwise, or departure for just cause, of special education or related services personnel;
 - A decrease in the enrollment of children with disabilities;
 - The termination of the obligation of the agency, consistent with this part, to provide a program of special education to a particular child with a disability that is an exceptionally costly program, as determined by the SEA, because the child—
 - Has left the jurisdiction of the agency;
 - Has reached the age at which the obligation of the agency to provide Free Appropriate Public Education (FAPE) to the child has terminated; or
 - No longer needs the program of special education;
 - The termination of costly expenditures for long-term purchases; such as the acquisition of equipment or the construction of school facilities; or
 - The assumption of cost by the high cost fund operated by the SEA under §300.704(c).

- According to 34 CFR § 300.205, for any fiscal year for which the IDEA Part B allocation received by an LEA under 34 CFR § 300.705 exceeds the amount the LEA received the previous fiscal year, the LEA may **reduce the level of expenditures** otherwise required by 34 CFR § 300.203 by up to 50 percent of the excess (i.e., 50 percent of the increase in the IDEA Part B Flow-Through allocation).
- The OSDE must ensure compliance of LEAs with the requirement of maintenance of effort:
 - By March of the following fiscal year, the OSDE Office of Financial Accounting will provide the OSDE-SES with an updated report regarding maintenance of effort, including provisions for miscoding of speech, physical therapy, occupational therapy, and money paid to interlocal cooperatives and the 50% rule has been applied (see 34 CFR 300.205).
 - By May of the following fiscal year, OSDE-SES will contact each LEA that (after these calculations) has failed to meet maintenance of effort to request documentation (if applicable) regarding the 5 exceptions. LEAs will be notified, at this time, regarding the deadline for submission of these materials.
 - By September of the following fiscal year, the OSDE-SES will have determined the category of clearance for each LEA that did not originally meet maintenance of effort. That is, LEAs will be notified that they have either provided sufficient documentation to be cleared of the failure to meet maintenance of effort, or they will be notified that they are out of compliance with federal law regarding special education maintenance of effort (*and thus, will receive a reduction in the LEA's State aid funding in the amount not met as a sanction for the noncompliance*).

Schoolwide Programs under Title I of the ESEA [34 CFR § 300.206]

The USDE-Office of Special Education Programs (OSEP) memorandum 00-7, dated January 13, 2000, regarding enhancing coordinated services systems among LEAs and SEAs gives the following guidance on the coordination of schoolwide programs under Title I. Schoolwide programs are advantageous because they provide LEAs the opportunity to comprehensively plan the overall educational program for all children in the school; allow LEAs to develop fully integrated services systems to address the needs of children; and offer LEAs an opportunity to spend federal resources in ways they determine can most effectively raise the achievement of their children. The IDEA Amendments of 1997, and the regulations at 20 USC 1413(a)(2)(D), authorize LEAs to use a portion of the funds received under IDEA Part B for any fiscal year to implement a schoolwide program under Section 1114 of the Elementary and Secondary Education Act (ESEA) of 1965. In a schoolwide program, a portion of the IDEA Part B funds can be combined with funds from Title I, allowing schools to integrate programs, strategies, and resources. Schools that have schoolwide programs under Title I are able to plan schoolwide programs that build on schoolwide reform strategies, rather than separate, add-on services;

provide flexibility in spending Title I funds in support of the schoolwide program; and focus on results.

- The LEA may use funds received under IDEA Part B for any fiscal year to implement schoolwide program under section 1114 of the ESEA.
 - Although IDEA Part B funds may be combined in a schoolwide project, and thus be used for services that are not special education and related services, all other requirements of the IDEA must still be met for children with disabilities in schoolwide project schools that combine IDEA funds in a schoolwide project.
 - Thus, children with disabilities in schoolwide project schools must still receive services in accordance with a properly developed Individualized Education Program (IEP) and must still be afforded all of the rights and services guaranteed to children with disabilities under the IDEA.
 - The amount used in any such program must not exceed the amount calculated using the formula listed on the Schoolwide Tab of the *IDEA Consolidated Application*.

Treatment of Charter Schools and Their Children [34 CFR § 300.209]

- The provisions of IDEA Part B that apply to schools in LEAs also apply to charter schools within the LEA. Charter schools must be in full compliance with IDEA Part B.
- Children with disabilities who attend public charter schools and their parent(s) retain all rights under this part.
- A charter school sponsored by a board of education of a local school district shall be considered a LEA for the purposes of federal funding. Both federal allocations and federal payments will be provided **directly** to each charter sponsored by a local board of education of a school district.
- Federal allocations and federal payments for charter schools sponsored by universities will be computed as if the charter was a district, but payments will be made to the sponsoring university. Notices of payment will be sent to both the university and the charter.

Establishment and Funding for a New Charter School (Including a Virtual Charter School)

Each LEA (including charter and virtual charter schools) must make available, upon request, information needed by the State Education Agency (SEA) to meet the requirements of the IDEA. In addition, each LEA must, upon request, provide information to the public regarding the eligibility of the LEA for the IDEA Part B funds. The LEA must also cooperate in any efforts to aid in the transfer

of records for migratory children. The LEA must assure that it will make available to parents of children with disabilities and to the general public all documents relating to the eligibility of the agency under the IDEA Part B.

The ESEA, Section 10310(1) of the ESEA (20 USC 8066(1)), defines a charter school as a public school that, in accordance with a specific State statute authorizing the granting of charters to schools, a charter school is exempted from significant State or local rules that inhibit the flexible operation and management of public schools, but not from any rules relating to the other requirements of this paragraph.

A charter school that is opening for the first time or significantly expanding its enrollment must notify the OSDE in writing, at least **120 days** in advance of the date the charter school is scheduled to open or expand and the charter school must:

- Meet with an OSDE IDEA Part B Compliance-Data-Finance (CDF) Specialist for technical support. Contact the OSDE-SES at (405) 521-3351 to schedule an appointment;
- Establish its eligibility to receive funds under the particular program and comply with all program requirements;
- Provide the OSDE with any data or information available to the charter school that the State may reasonably need to **estimate** the amount of funds the charter school will be eligible to receive when it actually opens or expands. The charter school will:
 - Provide estimated student free and reduced lunch count age 3-21;
 - Identify each **free/reduced lunch** student (count) from each sending county and district;
 - Student population ages 3 – 21;
 - Identify each student (count) from each sending county and district;
 - Provide IDEA student population ages 3 – 21; and
 - Provide estimated student free and reduced lunch.

Coordinated Early Intervening Services (CEIS) [34 CFR § 300.226]

The LEA may not use more than 15 percent of the amount such agency receives under IDEA Part B for any fiscal year, less any amount reduced by the agency, in combination with other amounts (which may include amounts other than education funds), to develop and implement CEIS. may include interagency financing structures, for children in kindergarten through grade 12 (with a particular emphasis on children in kindergarten through grade 3) who have not been identified as needing special education or related services but who need additional academic and behavioral support to succeed in a general education environment.

- CEIS funds are a part of the flow-through funding amount. No additional funds are provided.
 - An LEA may not use more than 15 percent of the amount the LEA receives under IDEA Part B for any fiscal year, in combination with other amounts (which must include amounts other than education funds), to develop and implement coordinated

EIS designed to improve results for children and families, including children with disabilities and their families.

- In implementing coordinated, CEIS under this section, an LEA may implement activities that include—
 - Professional development (which may be provided by entities other than LEAs) for teachers and other school staff to enable such personnel to deliver scientifically based academic instruction and behavioral interventions, and where appropriate, instruction on the use of adaptive and instructional software; and
 - Providing educational and behavioral evaluations, services, and supports, including scientifically based literacy instruction.
- Coordination with certain projects under the ESEA.
 - If an LEA is implementing a coordinated CEIS project under Title XI of the ESEA and a coordinated EIS project under IDEA Part B in the same school, the agency must use the amounts under this subsection in accordance with the requirements of that title.
- Each LEA that develops and maintains coordinated CEIS must annually report to the State educational agency (as a part of the *End of Year Data Report*)—
 - The number of children served under this section who received CEIS; and
 - The number of children served under this section who subsequently receive special education and related services under IDEA Part B during the following two year period.
- LEAs that choose to set aside flow-through (Project Code 621) funds for CEIS must budget EIS Funds to Function 5200, Object 900 under Project 621. Expenditures are then budgeted to Project 623.
- EIS funds will be claimed on a separate computer program generated expenditure report to Project Code 623 preferably at the end of each quarter.
- Each LEA must submit a budget and expenditure reports under Fund 11 and Project Code 623 (i.e., EIS funds may only be used at the LEA-level and cannot be maintained through a cooperative or interlocal).

Frequently Asked Questions about CEIS

1. What is Coordinated Early Intervening Services (CEIS)?

Under the 2004 IDEA amendments and the 2006 IDEA regulations, local education agencies (LEAs) are permitted to use *up to* 15% of their IDEA Part B and Preschool (Section 611 and Section 619 combined) to “develop and implement coordinated, early intervening services, which may include interagency funding structures, for students in grades kindergarten through grade twelve (with a particular emphasis on students in kindergarten through grade three) who are not currently identified as needing special education or related services, but who need additional academic and behavioral support to succeed in a general education environment.” [34 C.F.R. § 300.226].

The LEA is *required* to use the maximum amount (15%) of their Part B allocations (Section 611 and Section 619 combined) for CEIS if significant disproportionality is determined through the collection and analysis of student race and ethnicity data in the following areas:

- The identification of children as children with disabilities
- The identification of children as children with disabilities in accordance with a particular impairment
- The placement in particular educational settings of these children
- The incidence, duration, and type of disciplinary actions, including suspensions and expulsions. 34 CFR § 300.646.

2. How does a district allocate Part B funds for CEIS ?

The CEIS Budget must be submitted and approved prior to expending Part B funds for CEIS activities. The CEIS plan must contain the following information:

- Identify scientifically research-based strategies/interventions that will be used.
- Identify targeted grades and schools.
- Document how students will be identified for CEIS.
- Estimate the anticipated number of students to be served.
- Describe the progress monitoring process to be used to monitor student progress.

3. What are the fiscal accountability requirements regarding CEIS?

As part of the CEIS plan, LEAs must also submit a budget for anticipated CEIS expenditures. These funds must be accounted for separate from other Part B funds. At the end of the year in which the CEIS funds were budgeted, the LEA must report, in the IDEA Part B Application, the actual expenditures of CEIS funds. Any unspent CEIS funds will carry over to the second year of availability. However, if the LEA intends to continue using IDEA funds for CEIS, it must submit a new budget and plan for use of those funds in the current year.

4. How can CEIS funds be spent?

According to the 2004 IDEA amendments and the 2006 IDEA regulations, the following activities are possible CEIS activities:

- Professional development (which may be provided by entities other than the LEA) for teachers and other school staff to enable such personnel to deliver scientifically based academic and behavioral interventions, including scientifically based literacy instruction and, where appropriate, instruction on the use of adaptive and instructional software.
- Providing educational and behavioral evaluations, services and supports, including scientifically based literacy instruction. According to OSEP, other activities not listed may be permissible, so long as those activities are directed to providing assistance to students who need additional academic and behavioral support in the general education environment.

5. What are examples of activities CEIS funds would support?

- Professional development for teachers and other school staff to enable them to deliver scientifically based academic and behavioral interventions, including scientifically based literacy instruction, and, where appropriate, instruction on the use of adaptive and instructional software to struggling students primarily, but not exclusively, of the over-identified race/ethnicity who are **NOT** on an IEP.
- Examples of services for struggling students not currently identified as needing special education or related services but who need additional academic and/or behavioral supports to succeed in the general education environment may include the following:
 - Add a reading or math coach to work with teachers of at-risk students primarily, but not exclusively, in the over-identified population to ensure that instruction is delivered with fidelity.
 - Fund reading or math specialists to work primarily with nondisabled students in the over-identified population who have not reached grade-level proficiency in those subjects.
 - Fund after-school tutoring primarily nondisabled students primarily of the over-identified race/ethnicity who score below “basic” on statewide assessments.

Significant Disproportionality [34 CFR § 300.646]

- According to 34 CFR § 300.646 the SEA must examine data to determine if significant disproportionality based on race and ethnicity is occurring in the State and the LEAs of the State. Examples of significant disproportionality include:
 - The identification of children as children with disabilities, including the identification of children as children of disabilities in accordance with a particular impairment;

- The placement in particular educational settings of these children; and
- The incidence, duration, and type of disciplinary actions, including suspensions and expulsions.
- Provide for the review and, if appropriate revision of the policies, procedures, and practices used in the identification or placement to ensure that the policies, procedures, and practices comply with the requirements of the Act.
- Require any LEA identified to reserve the maximum amount of funds to provide comprehensive coordinated early intervening services to serve children in the LEA, particularly, but not exclusively, children in those groups that were significantly overidentified.
- Require the LEA to publicly report on the revision of policies, practices, and procedures.

➤ Child Find

- For all race/ethnicity categories and 6 specified disability categories (Specific Learning Disability, Speech Language Impairment, Emotional Disturbance, Intellectually Disabled, Other Health Impairment, and Autism), the state will only examine categories in which there is a risk ratio of greater than 2.0 statewide (i.e., children of the particular race/ethnicity are more than twice as likely as children with other races/ethnicities to be determined as a child with a disability).
- For categories meeting state-level requirements, district-level risk ratios will represent the following:
 - At Risk (1.5 to 2.5)
 - Disproportionate (2.5 or greater)
 - Significantly Disproportionate (greater than 4.5 for two consecutive years)
- Districts identified as significantly disproportionate will be required to set aside 15% of IDEA Part B Flow-Through funds to provide early intervening services (EIS) specifically (but not limited) to areas in which they are overrepresented.

➤ Educational Environments

- For all race/ethnicity categories and 3 educational environments, the State will only examine categories in which there is a risk ratio of greater than 2.0 statewide (i.e., children with disabilities of the particular race/ethnicity are more than twice as likely as children of other races/ethnicities to be served in the educational environment).
- For categories meeting state-level requirements, district-level risk ratios will represent the following:

- At Risk (1.5 to 2.5)
 - Disproportionate (2.5 or greater)
 - Significantly Disproportionate (greater than 4.5 for two consecutive years)
 - Districts identified as significantly disproportionate will be required to set aside 15% of IDEA Part B flow-through funds to provide early intervening services (EIS) specifically (but not limited) to areas in which they are overrepresented.
- Discipline
- For all race/ethnicity categories, in the areas of incidence, duration, and disciplinary action, the state will only examine categories in which there is a risk ratio of greater than 2.0 statewide.
 - For categories meeting state-level requirements, district-level risk ratios will represent the following:
 - At Risk (1.5 to 2.5)
 - Disproportionate (2.5 or greater)
 - Significantly Disproportionate (greater than 4.5 for two consecutive years)
 - Districts identified as significantly disproportionate will be required to set aside 15% of IDEA Part B flow-through funds to provide early intervening services (EIS) specifically (but not limited) to areas in which they are overrepresented.
- LEAs that are required to set aside flow-through (Project Code 621) funds for EIS must budget to Project 623.
- EIS funds will be claimed on a separate computer program generated expenditure report to Project Code 623 preferably at the end of each quarter.
- Each LEA must submit a budget and expenditure reports under Fund 11 and Project Code 623 (i.e., EIS funds may only be used at the LEA-level and cannot be maintained through a cooperative or interlocal).
- If the LEA does not agree with the State's determination that they were significantly disproportionate there is no appeal process.

Children with Disabilities Enrolled by Their Parents in Private Schools (34 CFR § 300.133)

- According to 34 CFR § 300.133, each LEA in which private schools are located, after timely and meaningful consultation with representatives of private schools, must conduct a complete and thorough Child Find process to determine the number of parentally-placed children with disabilities attending private schools located in the LEA [34 CFR § 300.131].

- The obligation to spend the proportionate amount to provide services to children with disabilities enrolled by their parents in private schools now refers to children enrolled by their parents in private elementary schools and secondary schools located in the LEA (34 CFR § 300.131). These are significant changes from previous regulations in which the responsibility to conduct Child Find (34 CFR 300.451) and provide equitable services to parentally-placed private school children rested with the LEA in which the children reside (34 CFR 300.453).

- To meet the proportionate share requirement, each LEA must spend the following on providing special education and related services (including direct services) to parentally-placed private school children with disabilities:
 - For children ages 3 through 21, an amount that is the same proportion of the LEA's IDEA Part B Flow-Through (Project Code 621) funds as the number of children with disabilities ages 3 through 21 who are enrolled by their parents in private, including religious, elementary schools and secondary schools located in the LEA, is to the total number of children with disabilities in its jurisdiction aged 3 through 21.

 - For children aged 3 through 5, an amount that is the same proportion of the LEA's IDEA Part B Preschool (Project Code 641) funds as the number of children with disabilities aged 3 through 5 who are enrolled by their parents in private, including religious, elementary schools and secondary schools located in the LEA, is to the number of children with disabilities in the jurisdiction aged 3 through 5.

 - To calculate the LEA's minimum amount for its IDEA Part B Flow-Through allocation--
 - Indicate the total number of children parentally-placed in private schools located in the LEA who were eligible for special education and related services in the previous fiscal year.
 - Indicate the total number of children in public schools in the LEA who were eligible for special education and related services in the previous fiscal year.
 - Calculate the total number of children eligible for special education and related services in the LEA.
 - Indicate the total IDEA Part B Flow-Through (Project Code 621) allocation.
 - Subtract the amount your district would like to transfer to Early Intervening Services (Maximum 15%).
 - Calculate the per child expenditure (by dividing the allocation by the number of eligible children) and calculate the proportionate amount (by multiplying the per child expenditure by the number of parentally-placed private school children).

 - Budget the proportionate amount (which is the minimum that must be spent on children with disabilities parentally-placed in private schools located in

the LEA for the LEA to be in compliance) to Function 5200 and Object Code 900 (and to Function 5500 for Project Code 625).

- Repeat these steps for children ages 3 through 5 for the IDEA Part B Preschool (Project Code 641) allocation.

Here is an example:

Number of eligible children with disabilities - count conducted on October 1, 2011

<u>300</u>	<i>In public schools</i>
<u>20</u>	<i>In private schools</i>
<u>320</u>	<i>Total number of eligible children</i>
<u>\$152,500</u>	<i>Current Year Federal Part B Flow-Through \$\$ LEA receives (Project Code 621)</i>
<u>\$22,875</u>	<i>Enter amount your district would like to transfer to Early Intervening Services (Maximum 15%)</i>
<u>320</u>	<i>Balance to calculate proportionate share \$129,625 divided by 320 =</i>
<u>\$405.07</u>	<i>Per student</i>
<u>20</u>	<i>Multiplied by number of children with disabilities in private schools</i>
<u>\$8,101.56</u>	<i>Proportionate Share</i>

If the LEA fails to spend the proportionate amount of funds set aside for children with disabilities parentally-placed in private schools, the LEA will have one additional year to carryover the funds for this purpose. If the LEA fails to spend the proportionate share of funds after one year of carryover, the LEA will be cited for noncompliance and will lose the unexpended funds.

- To meet the requirements of §§ 300.142 through 300.144, an LEA may use funds available under sections 611 and 619 of IDEA Part B to provide services to children with disabilities who are parentally-placed in private schools with the following provisions:
 - An LEA may use funds to make public school personnel available in other than public facilities--
 - To the extent necessary to provide services under §§ 300.130 through 300.144 for parentally-placed private school children with disabilities; and
 - If those services are not normally provided by the public school.

- An LEA may use funds to pay for the services of an employee of a private school to provide services under §§ 300.130 through 300.144 if--
 - The employee performs the services outside of his or her regular hours of duty; and
 - The employee performs the services under public supervision and control.
- An LEA may not use funds for classes that are organized separately on the basis of school enrollment or religion of the children if—
 - The classes are at the same site; and
 - The classes include children enrolled in public schools and children enrolled in private schools.
- A public agency must control and administer the funds used to provide special education and related services under §§ 300.137 through 300.139, and hold title to and administer materials, equipment, and property purchased with those funds for the uses and purposes provided in IDEA Part B.
- The public agency may place equipment and supplies in a private school for the period of time needed for IDEA Part B.
- The public agency must ensure that the equipment and supplies placed in a private school—
 - Are used only for IDEA Part B purposes; and
 - Can be removed from the private school without remodeling the private school facility.
- The public agency must remove equipment and supplies from a private school if—
 - The equipment and supplies are no longer needed for IDEA Part B services; or
 - Removal is necessary to avoid unauthorized use of the equipment and supplies for other than IDEA Part B purposes.
- No funds under IDEA Part B may be used for repairs, minor remodeling, or construction of private school facilities.
- On October 1 of each year, the LEA must count the total number of children with disabilities who are eligible for special education and related services and are parentally-placed in a private school located in the LEA (regardless of whether or not the child is receiving services via a services plan from the LEA).

- Each LEA must consult with representatives of parentally-placed private school children in deciding how to conduct the annual child count of the number of private school children with disabilities.
- The child count must be used to determine the amount that the LEA must spend on providing special education and related services to private school children with disabilities in the next subsequent fiscal year (see the calculation for proportionate expenditures).
- Expenditures for Child Find may not be considered in determining whether the LEA has met the proportionate amount requirements.
- LEAs are not prohibited from providing services to private school children with disabilities in excess of the proportionate share requirements.

Definition of Priorities

- When submitting an application for IDEA Part B the following priority areas must be followed:
 - LEAs must continue supporting child identification, location and evaluation activities (34 CFR § 300.131);
 - LEAs must provide a free appropriate public education (FAPE) to all identified children (34 CFR § 300.101);
 - LEAs must meet the full educational opportunity goal (FEOG) [34 CFR § 300.109], including employing additional personnel and providing inservice training, to increase the level, intensity, and quality of services provided to individual children with disabilities;
 - LEAs must meet all the other requirements of IDEA Part B; and
 - LEAs must make available to parents of children with disabilities and to the general public all documents relating to the eligibility under this part [34 CFR § 300.212].

Policies for Use of Special Education Federal Funds

General Policies

- IDEA Part B funds may not be used as the state match for federal reimbursements under the Medicaid program.

- Reimbursement amounts are **NOT** to be disbursed to individual schools participating in cooperative programs unless the funds and use of same are justified in the project application and by the OSDE.
- LEAs must be able to account for federal funds used by a cooperative. Therefore, if the LEA is not going to use any of the services of the cooperative in a particular year, it may **NOT** use its federal funds to contribute to the cooperative that year.
- LEAs receiving Preschool (Project Code 641) funds may use any Flow-Through (Project Code 621) funds to support preschool programs.

Amendments to LEA Policies and Procedures (34 CFR § 300.220(c))

- The SEA may require an LEA or a state agency to modify its policies and procedures, but only to the extent necessary to ensure the LEA's or state agency's compliance with this part, if:
 - The provisions of IDEA Part B or the regulations in this part are amended;
 - There is a new interpretation of IDEA Part B by federal or state courts; or
 - There is an official finding of noncompliance with federal or Oklahoma State law or regulations.

Policies on Use of Carryover Funds

- Flow-Through (Project Code 621), EIS (Project Code 623), Private Schools for Flow-Through funds (Project 625), Preschool (Project Code 641), and Private Schools for Preschool funds (Project Code 642) funds may be carried over into the next fiscal year for use in approved programs during the next school year. Unclaimed funds as of June 30 must be declared as carryover.
- Carryover funds from a prior year will be applied against the LEA's first computer program-generated expenditure report submitted for reimbursement to the OSDE-SES.
- If LEAs participating in a cooperative program dissolve the cooperative, any remaining carryover funds will be dispersed on a per-child basis, if no formal written agreement to do otherwise exists.

Regulations for Fiscal Procedures

Accounting Procedures

- Each LEA must keep an adequate accounting system that shows funds received and disbursed under the project.
- Separate project reporting numbers for Flow-Through (Project Code 621), EIS (Project Code 623), Private Schools for Flow-Through funds (Project Code 625), Preschool (Project Code 641), and Private Schools for Preschool funds (Project Code 642), must be maintained. Each funding source must be coded separately from other funding sources to avoid commingling of funds (34 CFR § 300.162).
- The State of Oklahoma assures that federal funds provided under IDEA Part B will not be commingled with State funds (34 CFR § 300.162).

Payment Procedures

- P.L. 101-453, the Cash Management Improvement Act, requires the State Treasurer to utilize automated clearinghouse procedures. In addition, it requires agencies such as the OSDE to present these transactions to the Office of State Finance in a summary format.
- Payment of all funds from the OSDE-SES will be processed upon receipt of a computer program-generated expenditure report. This report must be for reimbursement of expended funds, preferably at the end of each quarter. Payment will be made electronically utilizing the Catalog of Federal Domestic Assistance (CFDA) numbers of a federal program.
- CFDA numbers are:
 - Project Code 621 – Flow-Through - CFDA #84.027 (Source Code 4310)
 - Project Code 623 – Early Intervening Services - CFDA #84.027 (Source Code 4310)
 - Project Code 625 – Flow-Through – Private Schools – CFDA #84.027 (Source Code 4310)
 - Project Code 641 – Preschool (3-5) - CFDA #84.173 (Source Code 4340)
 - Project Code 642 – Preschool (3-5) Private Schools – CFDA # 84.173 (Source Code 4340)
 - Project Code 626 – Part B High Need Fund – CFDA #84.027 (Source Code 4310)
- The OSDE will continue to provide a notice of payment of funds to the appropriate personnel of the LEA.
- All claims for reimbursement must be postmarked on or before **Thursday, August 1, 2013**. Unclaimed funds will become carryover funds into the new fiscal year (OAC Chapter 25, Section 210, Finance).

Budget Revision Procedures

- Should the need develop to expend IDEA Part B funds differently than the approved application, a revised budget must be submitted and approved before funds are obligated for any purpose other than specified in the application. If expenditures exceed the budgeted amount in any approved function-object combination by more than 100%, a revised budget will be required before further disbursements will be made. Appropriate justification pages must be included in a revised budget application.
- If changes in personnel employed have occurred from the original approved application (e.g., names, certification numbers, positions, salaries), the LEA must submit a revised budget with an updated personnel page (Project 621, Project 623, Project 625, Project 641, or Project 642).

Withholding of Payments

- The OSDE may withhold payment of IDEA Part B funds from an LEA or State agency that has failed to comply with any assurance in the LEA application for funds. The LEA or State agency will be given reasonable notice and an opportunity for a hearing prior to the withholding of funds. Further payment of funds will not be made until the OSDE is satisfied that compliance has been reestablished (34 CFR § 76.401 and 34 CFR § 300.603).

Overpayments

- If an LEA receives an overpayment of any funds and the LEA is unable to offset the overpayment with other funds, they must send a reimbursement to the State Department of Education. Please remit the overpayment by check to the OSDE-SES and indicate the reason for refunding the money. Once the money is returned the SES will code the money back to the LEA for other approvable expenditures.

Expenditure and Data Reports

- **Grants Management System (GMS) Basic Requirements**
 - PC or MAC Computers
 - Use supported Internet browsers
 - Microsoft Internet Explorer
 - Google Chrome
 - Mozilla Firefox
 - Safari (for Macs)

Note: Pop-Up Blockers must be disabled for GMS Site – in order to view review checklists.

Auditing Procedures

Annual audits of financial transactions and compliance of each LEA are required by Oklahoma State law (70 O.S. § 22-103). Federal regulations (OMB Circular A-133) require a financial and compliance audit of all programs receiving federal funds in excess of \$500,000. These regulations (34 CFR Part 74) ensure that audits will be made on an organization-wide basis rather than a grant-by-grant basis according to the standards and procedures expressed therein.

LEA Responsibilities Single, Interlocal, and Cooperative Districts

- Before accepting the responsibilities to act as the fiscal agent or LEA of a project for IDEA Part B funds, LEAs should consider the following:
 - LEAs participating in a cooperative or interlocal cooperative must receive goods or services from the cooperative. The cooperative cannot act as a flow-through agent, but must provide a program consisting of the provision of goods and/or services (70 O.S. § 5-117).
 - It is not allowable for cooperatives or interlocals to pay federal special education funds to participating LEAs without providing goods and/or services. Applications for funds will not be approved if funds are simply flowed to participating LEAs without the provision of either goods or services. Payment will not be made to cooperatives or interlocals who are merely reimbursing participating LEAs.
 - Federal special education funds are paid on a reimbursement basis only, for goods and/or services received. Warrants must be paid prior to the submission of an expenditure report (34 CFR § 80.41).
 - If federal funds are not received until later in the school year, and project personnel are employed and services are being rendered, the LEA may be faced with:
 - Operating the project out of the general fund until federal funds are received, if the fund recipient is a single/interlocal LEA;
 - Assessing fees to other LEAs participating in a cooperative program to help pay their pro rata share of the costs of implementing the project; or
 - Issuing nonpayable warrants for which IDEA Part B funds CANNOT be used to pay for the interest incurred (OMB Circular A-87).
 - The fiscal agent for special education funds will be responsible for completing computer program generated expenditure reports and other information requested by the OSDE.

- Project personnel employed partially with IDEA Part B funds and other state or local sources and who are listed on the fiscal agent's personnel report draw tenure with that LEA. Should the cooperative dissolve, provisions should be made for tenured project personnel.
- Qualified and properly certified teachers of special education must be paid a minimum of 5% above the prevailing wage paid teachers of children who are nondisabled in the same school LEA (70 O.S. § 13-110).
- Matching teacher retirement payments must be made proportionately, as is applicable, to each federally funded special education teacher (70 O.S. § 17-108).
- In the case of any legal fees or court costs resulting from suits filed against the LEA, special education funds **CANNOT** be used to pay for the costs. The burden of costs rests with the LEA and, if in a cooperative program, with the other LEAs participating in the cooperative program (OMB Circular A-87).
- Project personnel, employed with IDEA Part B funds, who are on the LEA's personnel report must be **EVALUATED**, as required, by Oklahoma State law.
- The following points should be considered by those schools who participate in special education cooperative programs:
 - Planning for services;
 - Amount of services provided to each LEA;
 - Location of services;
 - Amount of revenue to pay personnel and costs of program operation;
 - Transportation responsibilities;
 - Employment and termination responsibilities; and
 - Personnel administration.

Detailed Project Budget (70 O.S. § 5-135.2)

- When filing the *IDEA Consolidated Application*, the budget pages to be used by all participating LEAs and interlocal cooperatives will reflect the budgeting of funds according to the Oklahoma Cost Accounting System (OCAS).
- Budgeting of IDEA Part B funds must include function and object codes. At the LEA or interlocal cooperative level, it is required that all expenditures be coded to the bold function/object codes, but may be coded in greater detail if the LEA or interlocal cooperative chooses. The project codes for budgets have been simplified to assist LEAs and interlocal cooperatives in the application process, but still provide the OSDE-SES with sufficient data to make the determination of approvable budget items. To complete this budget, the LEA or interlocal cooperative must identify the amount of funds requested (e.g., function codes 1000, 2210 and object codes 100, 200). By using this procedure, LEAs and interlocal cooperatives must submit a summary budget. The function dimension will be summarized to the third

digit (e.g., 2110, 2120) and the object dimension will be summarized to the first digit (e.g., 100, 200).

Project Personnel Certification Requirements

- Professional personnel, paid in full or in part, from IDEA Part B funds must hold valid Oklahoma certification, licensing, registration, or other comparable requirements that apply to the professional discipline in which those personnel are providing special education or related services (34 CFR § 300.156).
- Persons employed as project coordinators and/or child find persons must hold valid Oklahoma special education certification or certification in a related service area (e.g., speech/language pathologist, school psychologist).

Salaries Professional and Nonprofessional

- Personnel must be detailed on the proposed personnel tab. Instructional Services (1000-100)
 - Instructional salaries for full-time and part-time certified and noncertified employees. This would include substitutes, trained paraprofessionals, and teacher assistants.
 - Health Services (2130-100) Salaries
 - School nurses
 - Occupational therapists (OT)
 - Physical therapists (PT)
 - PT/OT Assistants
 - Support Services
 - Salaries of related service personnel:
 - Orientation and mobility services (2190-100)
 - Psychologists (2140-100)
 - Psychometrists (2140-100)
 - Rehabilitation counseling (2120-100)
 - School social worker (2110-100)
 - Speech pathologist or audiologist (2150-100)
 - Transition services (2120-100)
 - Salary for CERTIFIED special education teachers to coordinate project activities (2330-100)
 - Salaries of secretarial and clerical personnel for services for project personnel (2330-100)
 - Pupil Transportation

- Salaries of drivers of pupil transportation vehicles, full-time, part-time, and prorated portions of salaries (2720-100)
- Salaries of bus monitoring service (2730-100)
- Employee Benefits (1000, 2110, 2120, 2130, 2140, 2150, 2190, 2720, or 2730 - 200)
- FICA, group insurance, teachers' retirement, matching teachers' retirement, unemployment, workers' compensation: 210, 220, 231, 232, 241, 251, 252, 253, 261, 262, 263, 271, 273, 281, 283.

Contracted Services

- A contract is an agreement between two or more parties to perform a certain service for specified consideration (money or services) in return. Cost must be reasonable in relation to the nature and scope of services rendered and necessary to accomplish the objectives of the project (OMB Circular A-87).
- Contracted services are allowable expenditures for services provided by personnel who are NOT on the LEA personnel report and the amount of the contracted services includes all related expenses covered by the contract (e.g., benefits, travel).
- Contracted services must be detailed on the contracted services tab.
- The amount of funds shown on the contracted services page must be the same amount shown in the budget for contracted services (Object Code 300).
 - Administrative Services
 - Audit services performed in accordance with the Single Audit Act (OMB Circular A-133) for nonfederal entities expending \$300,000 or more in federal awards per year are allowable if the percentage of cost charged to special education does not exceed the percentage of federal funds expended, including program matching funds. Audit costs are not allowable for the single audit of an entity expending less than \$300,000 in federal awards, (OMB Circular A-133 § 200 and § 230 and OMB Circular A-87) (2310-300).
 - Costs of development, preparation, presentation, and execution of budgets are allowable (2330-300).
 - Legal expenses required in the administration of special education programs are allowable. These funds must NOT be used to pay attorney fees for either parents or LEAs or state agencies in connection with litigation or due process hearings (2310-300).

- Support Service—Children
 - Audiological services (2150-300)
 - Occupational therapists (2130-300)
 - Orientation and mobility (2190-300)
 - Physical therapists (2130-300)
 - Psychological services (2140-300)
 - Rehabilitation counseling (2120-300)
 - School health services (nurse) (2130-300)
 - Social work service (2110-300)
 - Speech/language services (2150-300)
 - Therapeutic recreation (2130-300)
 - Transition services (2120-300)

NOTE: Agreements for services provided in any of the categories indicated above MUST BE MADE IN WRITING (contract) to avoid disagreements over services. Charges for professional services must be supported by evidence of bona fide services rendered, relevance to the special education project and reasonableness of the charge(s).

- Student Transportation Services
- Reimbursements to parents for transporting their children and groups of children (2720-500). Suggested reimbursement is 50 cents per mile (or the State rate in current appropriations bill).

NOTE: A written agreement (which includes the number of miles to be traveled and amount per mile for reimbursement) is recommended to document efforts to provide appropriate transportation and should be written in the IEP.

OMB Circular A-133-Davis-Bacon

➤ **Davis–Bacon Act**

- The Davis-Bacon Act requires that wages for "laborers and mechanics" employed by contractors (including subcontractors) of federally-funded construction in excess of \$2,000 be paid in accordance with the prevailing local wage established by the Secretary of Labor.
- The federal government does this to guarantee that funds from federal grant and contract agreements will be used for construction projects to hire workers at or above the wage levels established by the Department of Labor.
- This requirement extends to contracts issued by the federal grant or contract recipient that are funded by the federal grant or contract. A-133 requires non-federal entities to include in their construction contracts subject to the Davis-Bacon Act a requirement that the

contractor or subcontractor comply with the requirements of the Davis-Bacon Act and the DOL regulations (29 CFR part 5, “Labor Standards Provisions Applicable to Contacts Governing Federally Financed and Assisted Construction”). This includes a requirement for the contractor or subcontractor to submit to the non-federal entity weekly, for each week in which any contract work is performed, a copy of the payroll and a statement of compliance (certified payrolls) (29 CFR sections 5.5 and 5.6). This reporting is often done using Optional Form WH-347, which includes the required statement of compliance (OMB No. 1215-0149).

Travel

➤ **Instruction**

- Travel incurred by instructional personnel, including travel in connection with everyday instructional activities (1000-500).
- Travel can be paid to personnel employed by the project.
- Special education funds may be used to help pay part of the travel costs for other instructional personnel not employed with project funds such as work-study coordinators and/or itinerant teachers while on official business incident to the grant program.

➤ **Support Personnel**

- Travel incurred by support personnel is under the same guidelines listed above. The coding for function will relate to the person who is being reimbursed for travel with the object code being 500.

➤ **Contracted Services**

- Travel incurred by contracted personnel who are not on the payroll of the LEA must be included as a related expense and covered by the contract agreement with the object code being 300.

Materials and Supplies

➤ Materials and supplies are expendable, tangible properties that are required to operate the program on a daily basis with the object code being 600. Typical items include but are not limited to:

- Instructional materials and supplies
- Workbooks, books, and periodicals
- Office materials and supplies
- Staff training materials and supplies

- Printing materials and supplies
 - Testing materials
 - Media materials
 - Computer software
 - Equipment and furniture having an acquisition cost of less than \$2,500
- Administrative Support Services (2330-600)
- If supplies, materials, and/or equipment are written into the project for programs and are requested by participating cooperative project members, a detailed list of items needed and an explanation for their use should be requisitioned and approved through the LEA (if it is an approved budget item) before funds can be released to pay for such items.
 - Inventory for the items above must also be maintained and marked appropriately. A separate list of materials and equipment must be maintained at the local educational agency.
- Instructional Services (1000-600) – see above
- Staff Training (2210/600 or 2570/600) – see above
- School Social Workers (2110-600), Guidance Service (2120-600), Health Services (2130-600), Psychological Services (2140-600), Speech Pathology (2150-600), Orientation and Mobility (2190-600) – see above
- Expenses incurred in the operation and continued maintenance of pupil transportation vehicles listed in this project (i.e., oil, parts, tires and gasoline) (2740-600) – see above
- Technology - Provide information for all proposed purchases that are classified as technology or technology related supplies including the vendor. Describe in detail, how this technology will be used for special education purposes. If the amount is under \$2,500 per unit, code it to 1000-600.

Meals and Refreshments

- Costs of meetings and conferences where the primary purpose is the dissemination of technical information are allowable (OMB Circular A-87).
- The LEA board of education should have a written policy outlining the conditions that must be met, and such policy should require a formal written agenda that clearly sets forth the topics to be discussed.
- Refreshments for parent meetings/parent involvement activities, when necessary, to encourage attendance (2190-600).
 - Limited meals or refreshments for staff or participants who are cloistered in all-day training sessions when it is impractical to obtain meals on their own and where

attendance at training is essential to accomplishing the objectives of the program (2210-600 - instructional staff or 2570-600 - noninstructional staff).

- Limited meals or refreshments during a "working session" in which participants are engaged in discussion/activities during the normal meal time and in which no other opportunity for a meal will be provided where attendance is essential to accomplish the objectives of the program (Payroll Function Code-600).
 - Alcoholic beverage costs are not allowable.
- Food for instructional purposes when an integral part of the program and when costs are reasonable and necessary to accomplish the objectives of the program are allowable (1000-600).

Equipment

- Equipment must be listed and justified on the proposed list of equipment tab of the IDEA Consolidated Application. Equipment must be coded according to function area (e.g., instruction, speech pathology, health services, administration, support services). (1000-700, 2150-700, 2190-700, 2330-700 or 2740-700)
- Equipment shall be defined as an article of nonexpendable tangible personal property having a useful life of more than one year and an acquisition cost of \$2,500 or more per unit and includes such items as instructional equipment and necessary furniture. All equipment purchases not originally approved must be submitted to the OSDE for approval prior to purchase [34 CFR § 74.34].
 - Equipment for administrative/instruction is allowable for project personnel; i.e., desks, chairs, file cabinets, typewriters, tables, physical education equipment, and other instructional-related equipment such as computers, testing instruments, and audiometers.
 - Assistive technology devices for children with disabilities, such as telecommunication, sensory, and other technological aids and devices (e.g., augmentative communication devices), are allowable expenditures if usage increases, maintains, or improves the functional capabilities of children with disabilities.
 - Purchasing of expensive instructional machines and items such as carpet, air conditioners, etc., for educational enhancement, are subject to OSDE approval (over \$2,500 per unit).
 - Equipment for pupil transportation is allowable, such as modification of a bus, with equipment itemized (2740-700). Items costing less than \$2,500 per unit would be coded (2740-600).
 - Capital expenditures for equipment means the net invoice price of equipment, including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired.

- Disposition of Equipment. When original or replacement equipment acquired under a grant or subgrant is no longer needed for the original project or program or for other activities currently or previously supported by a federal agency, disposition of the equipment will be made as follows:
 - Items of equipment with a current per-unit fair market value of less than \$5,000 may be retained, sold or otherwise disposed of with no further obligation to the awarding agency.
 - Items of equipment with a current per unit fair market value in excess of \$5,000 may be retained or sold and the awarding agency shall have a right to an amount calculated by multiplying the current market value or proceeds from sale by the awarding agency's share of the equipment. Disposition of equipment over \$5,000 per unit must be carried out in accordance with instructions from the Secretary of Education [34 CFR § 74.34(g)(2) and 34 CFR § 80.32].
 - In cases where a grantee or subgrantee fails to take appropriate disposition actions, the awarding agency may direct the grantee or subgrantee to take excess and disposition actions.

➤ Policies on Lease-Purchase and Leasing

- IDEA Part B funds may be used to lease or purchase special vans, buses, etc., (modified if needed) to transport children with disabilities ONLY.
- Lease-purchase agreements are allowable under IDEA Part B. Interest paid or incurred during the grant period on any lease-purchase of equipment regardless of the acquisition date is allowable (OMB Circular A-87).
- Rental/lease costs must be reasonable (comparable, market conditions, alternatives). Rental costs, related to leases, are allowable up to the amount that would have been expended had the item been purchased.

➤ Inventory and Labeling of Materials and Equipment

- Inventory: A separate inventory list for specialized materials (e.g., computers) and equipment is to be maintained and physical inventories taken every two years. Typical items that are required to operate the program on a daily basis do not need to be listed. The inventory should contain the following information:
 - List of items purchased--serial numbers and models
 - Date of purchase
 - Quantity or number received
 - Cost per unit
 - Total cost of purchase
 - Location by school site*
 - Transfer, replacement, or disposition as applicable

- Single/interlocal and cooperative LEAs are to maintain an inventory list and must keep usable materials and equipment purchased with IDEA Part B funds for a period of five years.

**Note. If materials and equipment are purchased with IDEA Part B funds and are placed in or checked out to schools in the project, a card file or computer database is suggested to be maintained for the materials and equipment.*

- If a cooperative project dissolves or forms into smaller units, the materials and equipment may be handled as follows:
 - LEAs for previously funded cooperatives must keep materials and equipment along with an inventory of both. They must make these items available to previously funded cooperative members on a checkout and return basis for one year at a time.
 - LEAs may disperse supplies, materials, and equipment to individual schools within the previously funded cooperative program for their use throughout the year. The location and condition of items placed in the schools would still be the responsibility of the LEA to maintain and have available for review during an audit.
 - All materials and equipment are to be labeled or marked according to funding source and fiscal year.
 - LEAs, in cooperative projects, should develop a policy prior to the formation of the cooperative on the process and procedure for the dispersal of supplies, materials, and equipment if the cooperative should dissolve in the future.
- Technology – LEAs must provide information for all proposed purchases that are classified as technology or technology related supplies including the name of the Vendor. Describe in detail, how this technology will be used for Special Education purposes (if over \$2,500 per unit code to 1000-700).
 - Technology includes, but is not limited to:
 - Central Processing Units
 - Printers
 - Keyboards
 - Software
 - External drives (thumb drives, jump drives, etc.)
 - Software
 - Mouse
 - Networking devices
 - Headphones
 - Digital cameras
 - Projectors

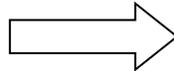
- White Boards (e.g. Smart Board, Promethean Board)
- Video cameras (e.g. flex phone, positioning stand)
- Amplification devices (e.g. speakers)

\$ CRITERIA FOR DISTINGUISHING EQUIPMENT FROM MATERIALS AND SUPPLIES

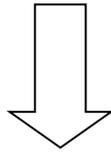
(Requirements under 34 CFR § 74.34)

Equipment Criteria

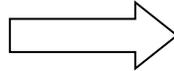
Lasts more than one year



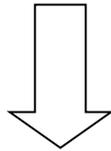
NO



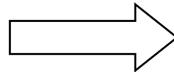
Repair rather than replace



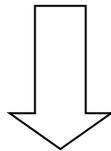
NO



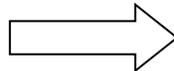
Independent unit rather than being incorporated into another unit item



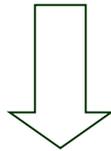
NO



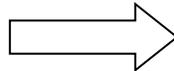
Cost of tagging and inventory small percentage of item



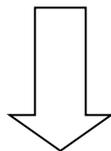
NO



Exceeds minimum dollar value mandated by state or other governmental unit (with due regard for group control of some items); e.g., \$2,500



NO



EQUIPMENT (700 Series)

If **NO**,
Item is
declared to be
SUPPLY
(600 Series)

Other Expenses

➤ A detailed description of expenditures for this category must be provided on the Other Expense tab of the IDEA Consolidated Application.

- Intra-Fund Transfer (5400-900)
- Indirect Costs
 - Indirect costs are those that have been incurred for common or joint purposes benefiting more than one cost objective and cannot be readily identified with a particular final cost objective without effort disproportionate to the results achieved (OMB Circular A-87).
 - Indirect cost rate may be used if the OSDE's Comptroller's Office [(405) 521-3065] has an approved Indirect Cost Proposal Plan on file for the LEA [34 CFR § 75.564].
 - Indirect cost is claimed on the computer program generated expenditure report coded to Function 5400, Object 900. Indirect cost does not have a purchase order or warrant issued and is not classified as an expenditure.

\$ Indirect Cost (IDC) Formula (for IDC rate of 9 or less)

Total Budgeted Allocation Amount minus Equipment (Line 7) = **X\$**

X\$ Divided by 1.0__ (IDC rate) = **Y\$**

Example: 3.65 IDC (1.0365)

Y\$ Multiplied by .0__ (IDC rate) = **IDC amount allowable***

Example: **Y\$** X .0365

\$ Indirect Cost Formula (for IDC rate of 10 or more)

Total Budgeted Allocation Amount minus Equipment (Line 7) = **X\$**

X\$ Divided by 1.____ (IDC rate) = **Y\$**

Example: 12 IDC (1.12)

Y\$ Multiplied by .____ (IDC rate) = **IDC amount allowable***

Example: **Y\$** X .12

*DO NOT round up

- Tuition (1000-500)
 - Expenditures to reimburse another educational agency for special education and related services rendered to children residing in the legal boundaries of the paying

school district are allowable. Please be sure that any expense coded to Object 560 is for the expense of a child's tuition and not that of an employee.

- Services Purchased from another LEA within the State including transfer fees - (500 Object Code)
- Operation of Building Services (2620-400)
 - Utility services (nonenergy) such as water/sewer services are allowable.
 - Repairs and maintenance of property (ordinary upkeep) that does not materially increase the value or useful life of the capital asset are allowable. Expenditures must be listed in detail.
- Rental or Lease Services (400 Object Code)
 - Expenditures incurred for rental of space for project personnel and possible classroom space are allowable.
- If existing facilities cannot be used, facilities rented or leased with IDEA Part B funds must be used for approved activities. Rental costs must be reasonable and at fair market rates. The cost of idle facilities and idle capacity are not allowable.
- Construction services or remodeling of facilities is **NOT** allowable as a direct cost except with the prior approval of the awarding agency – contact OSDE-SES for an application (Function 4700). OMB Circular A-87 § 15(b)(3)
- Advertising and Public Relations (500 Object Code)
 - Expenditures for advertising for recruitment of personnel, procurement of goods and services, disposal of surplus property, and specific purposes of federal award are allowable.
 - Expenditures for public relations specifically required by federal award and expenditures necessary for general public awareness are allowable.
- Staff Travel (500 Object Code)
 - Expenditures for transportation, meals, hotel, and other expenses associated with staff travel for the LEA.
- Communication Services (500 Object Code)
 - Expenditures for telephone, Internet fees, and postage services are allowable.
- Energy Services (600 Object Code)

- Expenditures for energy including diesel, gasoline, and oil for transportation and services received from utility companies for electricity and natural gas are allowable.
- Other Objects (800 Object Code)
 - Expenditures for dues and fees, staff registration and staff tuition, and memberships are allowable when the benefit is related to the IDEA Part B grant program. Memberships must be in the name of the LEA (NOT INDIVIDUALS) and not for an organization that is substantially engaged in lobbying. Memberships in community, social, or lobbying organizations are not allowable.

➤ Fund Transfer/Reimbursements (5200/900)

- An LEA may use funds received under IDEA Part B for any fiscal year to implement a schoolwide program under Title I, Section 1114 of ESEA.
- Funds are claimed on the computer-generated expenditure report coded to Function 5200, Object 900 (930). This amount will not have a purchase order or warrant issued and is not classified as an expenditure.
- Amount used in any such program must not exceed the amount calculated through the following formula (for example):

$\frac{10}{100} = \text{number of children with disabilities participating in the schoolwide program multiplied (x) by}$

$\frac{\$50,000}{\$5,000} = \text{IDEA Part B funding received by the LEA for the current fiscal year divided (÷) by}$

$\frac{100}{100} = \text{number of children with disabilities in LEA equals (=)}$

$\frac{\$5,000}{\$5,000} = \text{the maximum amount of IDEA Part B funds to be used in a Title I schoolwide program}$

Personnel Development

➤ **Personnel Development [34 CFR § 300.207]**

- The LEA must ensure that all personnel necessary to implement IDEA Part B are appropriately and adequately prepared, subject to the requirements of 34 CFR § 300.156 (related to personnel qualifications) and section 2122 of the ESEA.

➤ **Personnel Qualifications (34 CFR § 300.156)**

- The OSDE must establish and maintain qualifications to ensure that personnel necessary to implement the purposes of IDEA Part B are appropriately and adequately prepared and trained, including that those personnel have the content knowledge and skills to serve children with disabilities.
- The qualifications must include qualifications for related services personnel and paraprofessionals that—
- Are consistent with any State-approved or State-recognized certification, licensing, registration, or other comparable requirements that apply to the professional discipline in which those personnel are providing special education or related services;
- Ensure that related services personnel who deliver services in their discipline or profession;
 - Meet the requirements of paragraph (b)(1) of this 34 CFR § 300.156;
 - Have not had certification or licensure requirements waived on an emergency, temporary, or provisional basis; and
 - Allow paraprofessionals and assistants who are appropriately trained and supervised, in accordance with Oklahoma State law, regulation, or written policy, in meeting the requirements of this part to be used to assist in the provision of special education and related services under this part to children with disabilities.
- The qualifications described in paragraph (a) of 34 CFR § 300.156 must ensure that each person employed as a public school special education teacher in the State who teaches in an elementary school, middle school, or secondary school is highly qualified as a special education teacher by the deadline established in section 1119(a)(2) of the ESEA.
- In implementing this section, Oklahoma must adopt a policy that includes a requirement that LEAs in the State take measurable steps to recruit, hire, train, and retain highly qualified personnel to provide special education and related services under this part to children with disabilities.
- Notwithstanding any other individual right of action that a parent or child may maintain under this part, nothing in this part shall be construed to—
 - Create a right of action on behalf of an individual child for the failure of a particular SEA or LEA staff person to be highly qualified; or
 - Prevent a parent from filing a complaint under 34 CFR §§ 300.151 through 300.153 about staff qualifications with the SEA as provided for under this part.

➤ **Options to be Funded:**

- Personnel preparation and continuing education
- Procedures for dissemination
- Adoption of new practices
- Recruitment, retention, and retraining of personnel

➤ **Activities Funded:**

- Membership in State and national professional organizations for special education teachers, related services, and leadership personnel;
- Subscriptions to journals and other publications of national special education and related professional organizations for information dissemination;
- Purchase/duplication/dissemination/utilization of innovative special education and related services, instructional and training materials;
- Reimbursement of expenses incurred (at State rates) in sending special education and related services representatives to visit innovative instructional or training programs (in state or out) to pilot and eventually adopt either the program and/or materials in the home LEA;
- Reimbursement of expenses incurred (at State rates) in sending representatives of special education and related services to State and/or national professional conferences (participants must commit to share acquired knowledge and skills with other staff in a documented fashion upon return);
- Other expenses involved in developing and implementing unique strategies designed to improve the quality and expand the scope of special education programs and related services through information dissemination, training and adoption (adoption cannot include salary or fringe benefits);
- Reimbursement of expenses incurred (at State rates) in sending representatives to colleges, universities, or other health care provider career days, and any other special education and related services recruitment activities;
- Reimbursement of expenses incurred for activities for personnel preparation and retraining such as tuition fees, books, travel, room and board; and
- Reimbursement of expenses incurred in conducting in-service activities; facility rental, printing materials and supplies, consultant fees and expenses, including curriculum consultants, in-service training specialists, and so forth.

➤ **Allowable Expenditures**

Activities may be coded as follows:

- Improvement of Instruction (2210) for instructional staff only (i.e., 1000 - teachers, paraprofessionals, and teacher assistants):
 - Substitute teachers (100)
 - Benefits for substitutes (200)
 - Teacher stipends: suggested \$40 per day (100) or district negotiated amount
 - Consultant fees and expenses: not on the payroll (300)
 - Materials and supplies: those necessary for training activities (600)
 - Lodging (500)
 - Travel: 55.5 cents a mile or current state rate (500); Air travel by commercial air (coach) fare only (500)
 - Per diem (500)
 - Dues and fees (800)
 - Staff registration and tuition (800)
 - Professional publications (600)

- Personnel (Staff) Services: (e.g., 2570 - activities for all noninstructional staff, including but not limited to related service providers, administrators, school board members, counselors, bus drivers, and school nurses):
 - Consultant fees and expenses: not on the payroll (300)
 - Materials and supplies: those necessary for training activities (600)
 - Lodging (500)
 - Travel: 55.5 cents a mile or current State rate (500); Air travel by commercial air (coach) fare only (500)
 - Per diem (500)
 - Dues and fees (800)
 - Staff registration and tuition (800)
 - Professional publications (600)

Procedures for Review of Application

- Applications in an approvable format are to be received on or before the due date (page 2) to be considered for review.

- The following areas are considered during the review and approval process:
 - The submission of the following:
 - The *LEA Agreement*.
 - The *IDEA Consolidated Application*.
 - A count of children with disabilities ages 3 through 21 on IEPs.

- Other required data (such as the *End of Year Data Report*).
- State and local monies for nonsupplanting requirements [34 CFR § 300.162].

➤ Consolidated Budget Applications

- All information will be entered by the LEA through the Online Grants Management System available on the OSDE Web site at www.ok.gov/sde/.
- OSDE-SES Compliance, Data, and Finance (CDF) Specialists will review all submitted applications for approval on a first come, first serve basis.
- LEA personnel can view the status of submitted Consolidated Budget Applications online.

➤ Applications Not Approved - Notice and opportunity for hearing on LEA application [34 CFR § 300.221].

- If there are major clarifications on the application needed and/or if there are noncompliance areas noted, the LEA will receive a phone call or an e-mail from the OSDE-SES to obtain clarification for approval of the application.
- If needed, an appointment will be arranged with the LEA and OSDE-SES to clarify application components and/or other information that is preventing approval of the application.
- The OSDE-SES will review the corrected application and information provided and will recommend the approval if all areas needing clarification are complete and/or all areas of noncompliance are corrected.

Key to Citations

34 CFR - Code of Federal Regulations

O.S. - Oklahoma Statutes

CFR (76s) - Education Department General Administrative Regulation (EDGAR)

CFR (76s) - Education Department General Administrative Regulation (EDGAR)

OMB Circular A-87 - Issued by the U.S. Office of Management and Budget (Revised 9-1-95)

SEA - State Educational Agency

LEA - Local Educational Agency

USC - United States Code

P.L. - Public Law