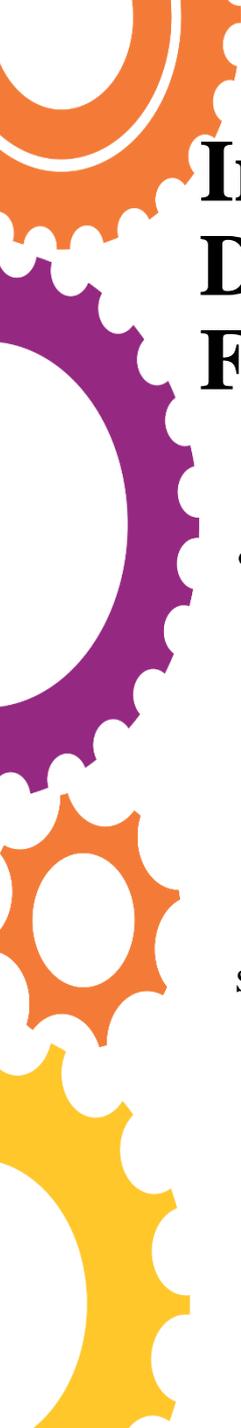


FY 2016
Special Education Finance
Funding Manual Highlights

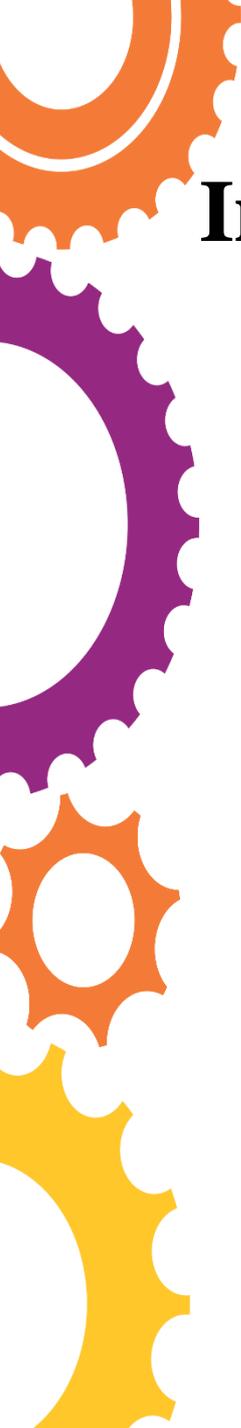




Introduction to Individuals with Disabilities Education Act (IDEA) Part B Funding

- Federal legislation enacted in 1975 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).

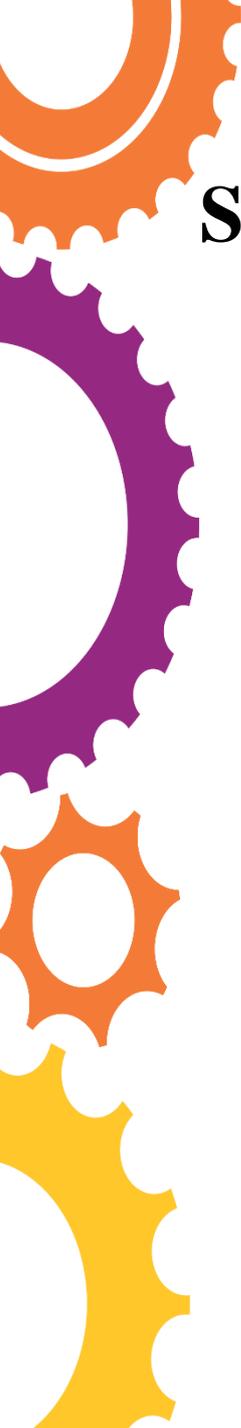
See p.1



Introduction to IDEA Part B Funding

- Funds are awarded to the Oklahoma State Department of Education (OSDE) by the United States Department of Education (USDE) to “flow-through” to the Local Educational Agencies (LEA) contingent upon application approval for Part B funds.

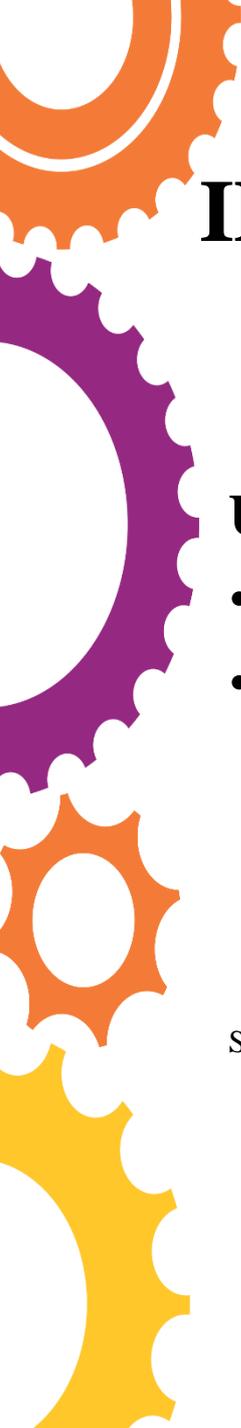
See p.1



State Submission Requirements

- Assurances and LEA Implementation Agreement – opens Monday, May 2 through last Friday in June (June 24, 2016)
- Close Out of the Individuals with Disabilities Education Act (IDEA) Part B Expenditure Reports by Monday, September 19, 2016.

See p.2



IDEA Fiscal Accountability Overview

Use of Amounts

- To pay excess cost
- Used to supplement not supplant state, local, and other federal funds

See p.3

Allowable Costs

- Ensure that costs are necessary, reasonable, and allocable



Accountability Overview

Private School Proportionate Share

- Ensure LEAs properly determine the proportionate share of IDEA funds to be spent on equitable services.
- Ensure appropriate use of public and private school personnel.

Coordinated Early Intervening Services (CEIS)

- Permit LEAs to use up to 15 percent of funds to develop and implement CEIS.
- Require LEAs identified as having significant disproportionality to reserve the maximum amount of funds.

See pp.3, 4, and 16



Accountability Overview

Schoolwide Programs

- Allows a portion of IDEA Part B funds to be combined with funds from Title I, ensuring programs provide students with disabilities services in accordance with individualized education program (IEP).

Charter Schools

- Charter schools must be in full compliance with IDEA Part B. LEAs must make available, upon request, information needed by the State Education Agency (SEA) to meet the requirements of the IDEA.
- A charter school sponsored by a local school district shall be considered a LEA for the purposes of federal funding.
- Federal allocations and federal payments for charter schools sponsored by universities will be computed as if the charter was a district.

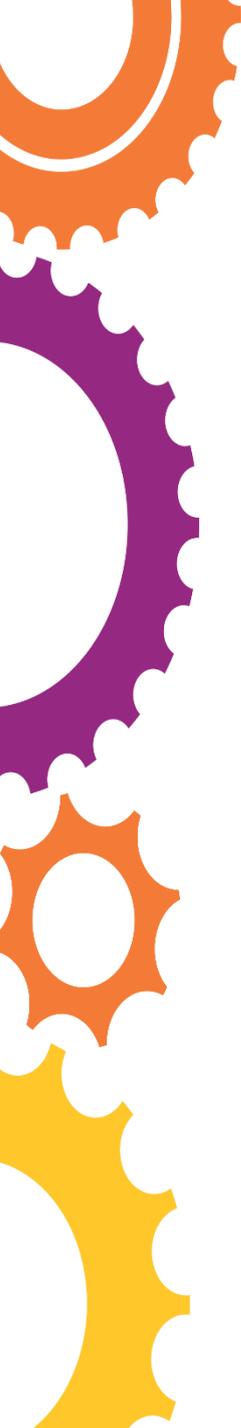


Accountability Overview

Children with Disabilities Enrolled by their parents in Private Schools

- LEAs in which private schools are located must conduct a complete and thorough Child Find process to determine the number of parentally placed students with disabilities attending private schools located in the LEA.
- LEAs are then obligated to spend a proportionate amount to provide services to students with disabilities enrolled by their parents.

See p.20



Federal Allocations to LEAs



Allocations to LEAs

Each year Oklahoma receives grants under Section 611 of the IDEA. After setting aside necessary and allowable amounts for state level activities the OSDE must allocate the remainder of the grant as flow-through sub-awards to LEAs.

See p.4 and 5



Federal Allocations (34 CFR § 300.704(b))

There are three parts used in the funding formula to determine district allocations:

- Base Amount

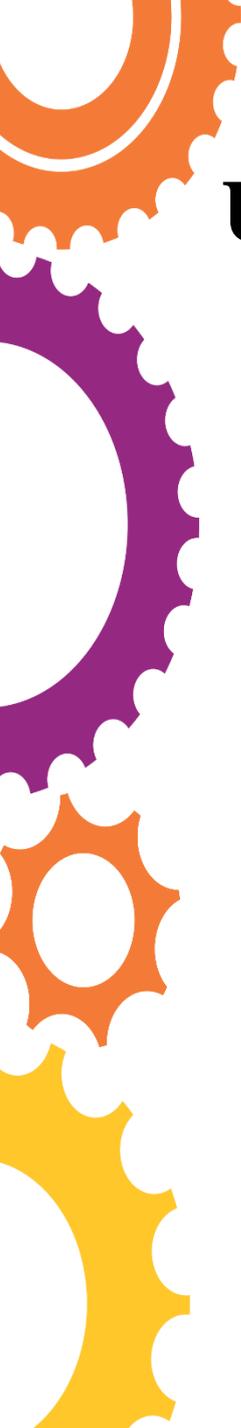
Each LEA's base allocation is based on funds received in 1999 - 2000.

- Population

85% of the remaining allocation is based on the total prior year's relative enrollment of the LEA (public and private schools).

- Poverty

The remaining portion of the allocation (15%) is based on the prior year's relative poverty level of the LEA (defined as the free and reduced lunch count).

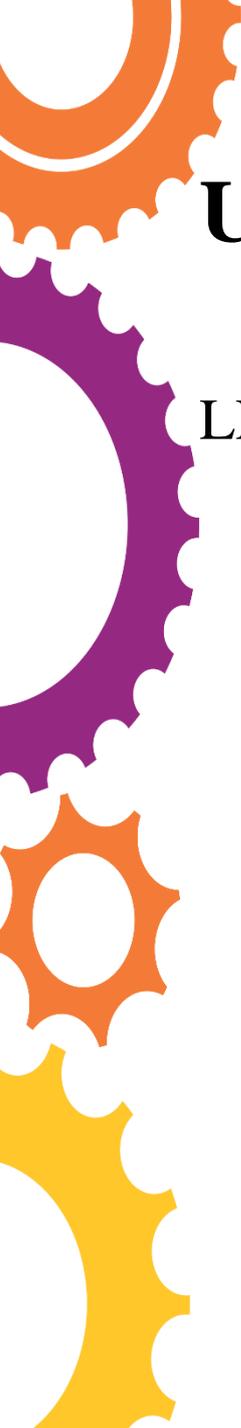


Use of Special Education Funds

Federal Requirements

- LEAs must have policies and procedures that are consistent with the State policies and procedures.
- LEAs must establish and maintain a program to effectively meet the needs of students with disabilities.

See p.8 and 9



Use of Special Education Funds

LEAs must meet excess cost requirement

- Pay the excess costs of Special Education and related services
- Supplement (and not supplant) state and local funds

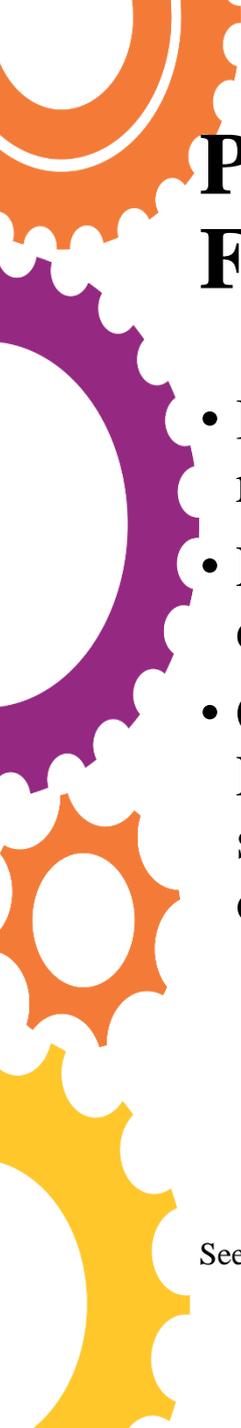


Use of Special Education Funds

- LEAs must meet maintenance of effort requirements.

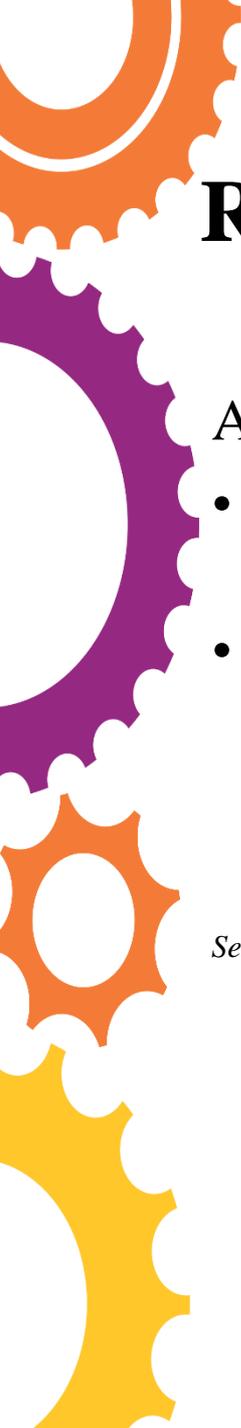
To meet maintenance of fiscal effort requirements, a LEA must be able to document that it expended an equal amount of local funds or combination of state and local funds for special education and related services as it did the preceding fiscal year.

See p.10



Policies for Use of Special Education Federal Funds

- IDEA Part B funds may not be used as the state match for federal reimbursements under the Medicaid program.
- LEAs must be able to account for federal funds used by a cooperative.
- Carryover funds from a prior year will be applied against the LEAs first computer program-generated expenditure report submitted for reimbursement to the Oklahoma State Department of Education-Special Education Services (OSDE-SES).

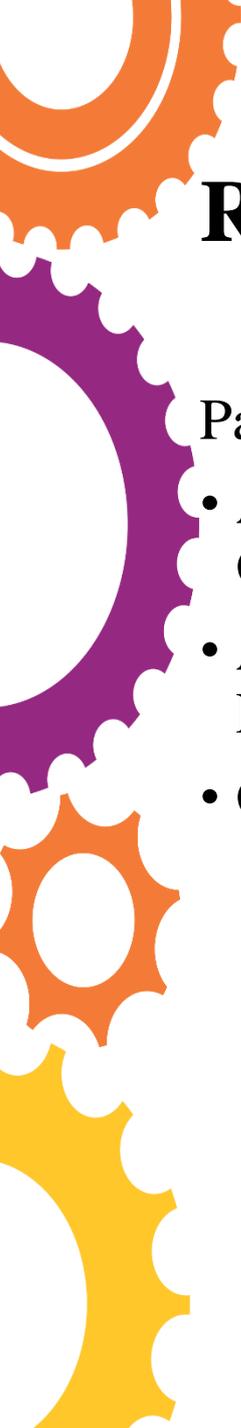


Regulations for Fiscal Procedures

Accounting Procedures:

- Each LEA must keep an adequate accounting system that shows funds received and disbursed under the project.
- Each funding source must be coded separately from other funding sources.

See p. 25



Regulations for Fiscal Procedures

Payment Procedures

- All claims for reimbursement must be submitted online using the Grant Management System (GMS).
- All claims must be submitted no later than August 26, 2016 for Fiscal Year 2016.
- GMS basic requirements:
 - PC or Mac Computers
 - Use supported Internet browsers
 - Microsoft Internet Explorer
 - Google Chrome
 - Mozilla Firefox
 - Safari (for Macs)



Regulations for Fiscal Procedures

Withholding of Payments

- The OSDE may withhold payment if IDEA Part B funds from an LEA has failed to comply with any assurance in the LEA application for funds.

Overpayment

- If a LEA receives an overpayment of funds and are unable to offset, they must send a reimbursement to the OSDE-SES.

Auditing Procedures

- Annual audits are required by Oklahoma State law (70 O.S. § 22-103)
- These regulations ensure an audit will be made on an organization-wide basis rather than a grant-by-grant basis.

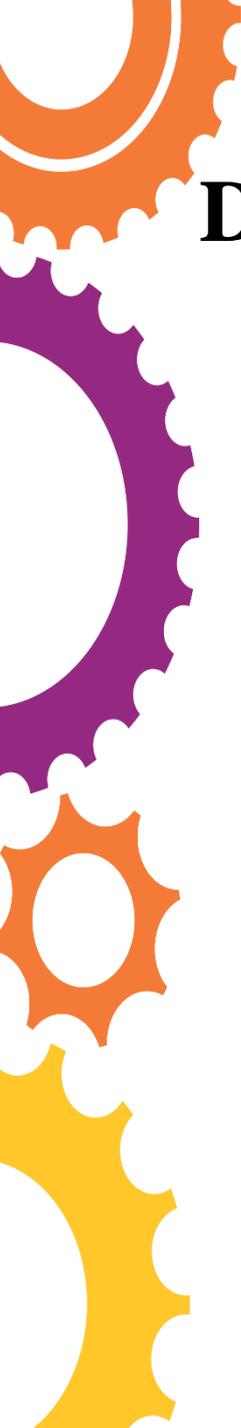
See pp. 26



Detailed Project Budget

When budgeting IDEA Part B funds the LEA must include function and object codes. These codes have been simplified to assist LEAs in the application process while still providing the OSDE-SES with sufficient data to make the determination of approvable budget items.

See p.29



Detailed Project Budget

To complete the budget, the LEA must identify the amount of funds requested for reimbursement by function and object codes. The following are some function code descriptions used by LEAs:

- Instructional- 1000
- Occupational Therapy- 2130
- Psychological Services- 2140
- Speech Services- 2150
- Physical Therapy- 2170

Salaries (full-time and part-time, certified and noncertified) would have an object code of 100

See pp. 29-45



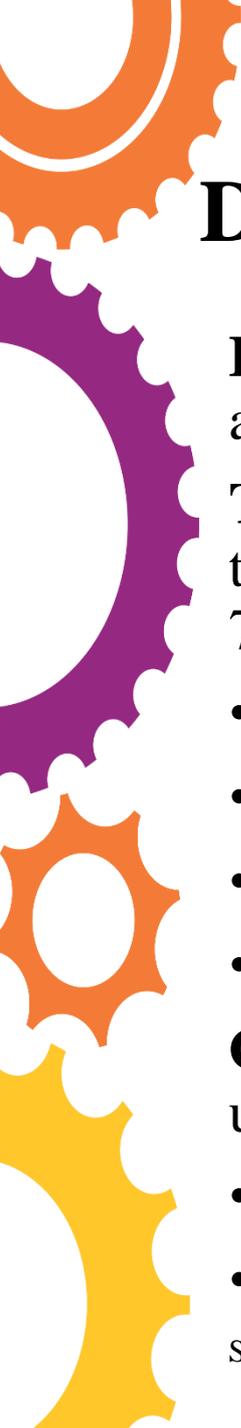
Detailed Project Budget

Benefits for each function code would use an object code of 200.

Contract Services are services provided by personnel who are NOT employed full-time or part-time by the LEA. These services will have the function code listed under salaries with an object code of 300.

Materials and Supplies are of an expendable nature that are consumed or worn out with an acquisition cost of less than \$2,500.00 coded to object 600.

See pp. 29, 30, and 34



Detailed Project Budget

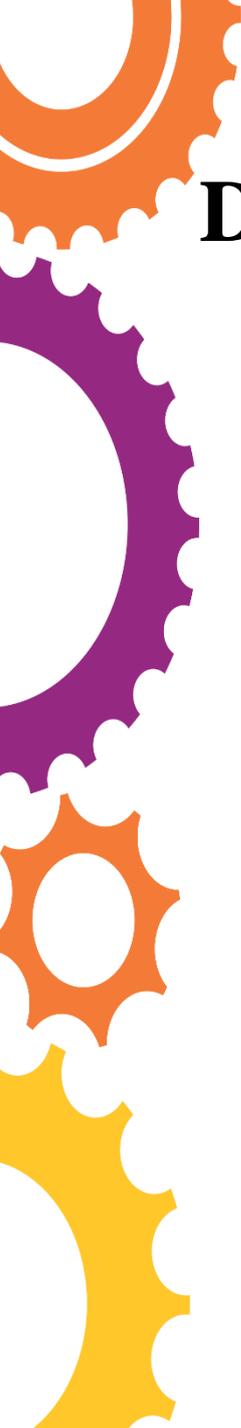
Equipment is defined as nonexpendable tangible property with an acquisition cost of \$5,00.00 or more per unit.

Technology is defined as purchases that are classified as technology or technology related supplies coded to object code 700 such as:

- Smart Boards
- Computers
- Headphones
- Projectors

Other Expense is for services or goods not otherwise classified using object code 800 such as:

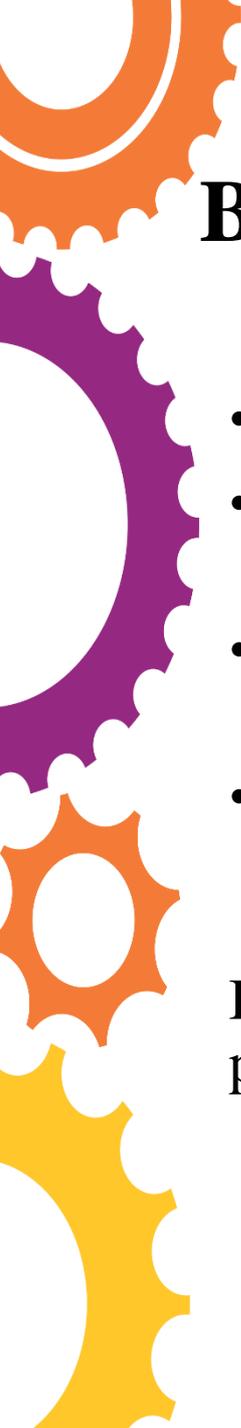
- Staff Registration
- Dues and Fees



Detailed Project Budget

- **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.
- Indirect cost is claimed on the GMS claim program with a function code of 5400 and object code 900. Indirect cost does not have a purchase order of warrant issued and is not classified as an expenditure.
- A full listing of function and object codes can be found in the Oklahoma Cost Accounting System (OCAS) manual on the OSDE- website.

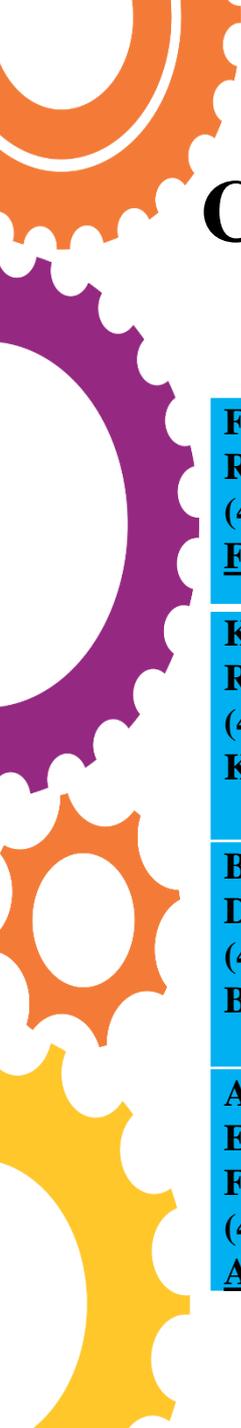
See p. 42



Budget Amendments

- Budget amendments will be required when:
- An expenditure exceeds the maximum allowable variance (25%) for an individual function/object category.
- Approved program changes require the addition of a function/object category.
- Unobligated first year funds are carried over as indicated on a revised allocation notification.

Budget amendments for program changes must be submitted prior to the obligation of funds.



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