



SPECIAL EDUCATION IDEA PART B FUNDING MANUAL

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STATE OF OKLAHOMA

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Individuals with Disabilities Education Act (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) Special Education Services (SES). 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 a 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 the LEA's consolidated application for IDEA Part B funds.

Section 611, or flow-through funds, will be awarded on a formula based on the number of students with disabilities ages 3 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). The calculation comes from the October 1 count of the previous year.

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 ages 3 through 5, and are awarded on a formula based on the number of children with disabilities ages 3, 4, and 5 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). The calculation comes from the October 1 count of the previous year.

IDEA Fiscal Accountability Overview

The OSDE - SES must ensure fiscal accountability at each phase in the distribution and use of the IDEA Part B funds. The purpose of the OSDE - SES's 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 Local Education Agencies (LEAs) use the IDEA funds only to pay excess costs of providing special education and related services to children with disabilities;

- Ensure the IDEA funds are used to supplement and not supplant State, local, and other federal funds;
- Ensure that funds provided to an LEA under IDEA 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;
- Ensure proper use of exceptions and adjustments to maintenance of effort (MOE); and
- Prohibit reduction in the level of expenditures under 34 CFR 300.205(a), if the LEA is not meeting IDEA Part B requirements.

Allowable Costs

- Ensure that costs are necessary, reasonable, and allocable;
- Time and Effort Reporting; and
- Equipment/Inventory Control.

Requirements for Use of Special Education Federal Funds

Federal Requirements

- Each LEA must have in effect policies and procedures that are consistent with the State Education Agency's (SEA) policies and procedures and demonstrates to the satisfaction of the SEA that it meets those conditions.
- 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.
- Each LEA must meet the excess cost requirement.
 - 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 students with disabilities.
 - Excess costs are those costs over and above what the LEA spends on average for students enrolled at elementary or secondary level.
 - If an LEA can show that it has (on average) spent the minimum amount for the education of each of its students 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.

Each LEA must meet the non-supplanting requirement.

- 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 students with disabilities and in no case to supplant these federal, State, and local funds.

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

- Services and aids that also benefit nondisabled students. Costs of special education, related services, supplementary aids and services provided in a regular class or other education-

related setting to a child with a disability in accordance with the Individualized Education Program (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.
- To establish and implement cost or risk sharing funds, consortia, or cooperatives for the LEA 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 –

- Co-mingle IDEA Part B funds with State funds;
- Supplant IDEA Part B funds; or
- Reduce Maintenance of Effort (MOE), unless attributing reductions.

Excess Cost

Local educational agencies (LEAs) must follow certain requirements when accepting federal funds. One of the federal requirements under the Individuals with Disabilities Education Act, Part B (IDEA-B) is the concept of excess costs. If your LEA receives a federal grant awarded under IDEA-B, you must spend those funds only on the excess costs of providing special education and related services to eligible students. LEAs may not use IDEA-B funds to pay all the costs of educating students with disabilities. Excess costs are those costs over and above what the LEA spends on average for students enrolled at the elementary or secondary level, including special education students.

Every student enrolled in a public school receives educational support, including students with disabilities. Because a student with a disability is a student entitled to an education first, the concept of excess costs establishes the following:

1. Students with disabilities receive educational support in the same way and to the same extent as non-disabled students.
2. IDEA-B funds only pay for the excess costs of providing special education and related services for students with disabilities.

Again, the purpose of the excess costs rule is to prevent an LEA from using IDEA-B funds to pay for all costs to educate a student with a disability. Federal funds (IDEA-B) must be used to supplement state and local funds and not to supplant them.

Tips for Determining Excess Costs

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

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

- 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.

2. Is this cost also generated by students without disabilities?

- 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.

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

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.

Maintenance of Effort

Each LEA must meet Maintenance of Effort (MOE) requirements. Funds provided to the LEA under IDEA Part B may not be used to reduce the level of expenditures for the education of students 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: 1. an equal amount of local funds only; or 2. the combination of State and local funds for special education and related services as it did the preceding fiscal year. Whereas the Elementary and Secondary Education Act (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, 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 students 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.

If the OSDE-SES finds that an LEA has failed to comply with MOE requirements, the SEA will find the LEA in noncompliance and issue a citation for failure to meet MOE.

- MOE is calculated on the total expenditures reported by the LEA for special education and related services on the per capita amount spent on students receiving special education services.
- If either the total amount or the per capita amount decreased in the second year, the LEA has failed to meet the MOE requirement.
- If the LEA receives notification that the MOE 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 MOE apply. If documentation supports the exception, the amount by which the district did not meet MOE will be reduced.

Exceptions to MOE

- 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 LEA to provide a program of special education to a particular student with a disability that is an exceptionally costly program, as determined by the SEA, because the child:
 - Has left the jurisdiction of the LEA;
 - Has reached the age at which the obligation of the LEA to provide Free Appropriate Public Education (FAPE) to the student 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 §300.704I.
- For any fiscal year for which the IDEA Part B allocation received by an LEA exceeds the amount the LEA received the previous fiscal year, the LEA may reduce the level of expenditures otherwise required 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 meeting MOE requirements:
 - By February of the following fiscal year, the OSDE-Office of Financial Accounting will provide the OSDE-SES with an updated report regarding schools that did not meet MOE.
 - By March of the following fiscal year, OSDE-SES will contact each LEA that (after these calculations) has failed to meet MOE to request documentation (if applicable) regarding the five exceptions. LEAs will be notified, at that time regarding the deadline for submission of these materials or documents.
 - By April 30 of the following fiscal year, the OSDE-SES will have determined the category of clearance for each LEA that did not originally meet MOE. LEAs will be notified that they have either provided sufficient documentation to be cleared of the failure to meet MOE, or they will be notified that they are out of compliance or if in non-compliance with federal law regarding special education MOE (and thus, will receive a reduction in the LEA's State aid funding in the amount not met as a sanction for the noncompliance).
- The Consolidated Appropriations Act requires that subsequent year decisions about IDEA compliance and penalties be made based on the LEA's required level of effort during the year they did not maintain effort and not from their actual level of effort during that year.

The example provided is based on a combination of both state and local funds:

- During FY2015-16, the LEA had an actual and a required level of effort of \$100,000 – the LEA **met** the maintenance of effort requirement.
- During FY2016-17, the LEA had a required level of effort of \$100,000, and an actual level of effort of \$90,000 – so the LEA **did not meet** the maintenance of effort requirement.
- During FY2017-18, the LEA will have a required level of effort of \$100,000, rather than its \$90,000 actual effort level in FY2015-16. For compliance purposes, the LEA must use the required level of effort from the year it did not meet the required effort (\$100,000).

If analyzing the district's effort for eligibility purpose, consider this example based on a combination of both State and local funds:

- During FY2020-21, the LEA had an actual and a required level of effort of \$130,000 – the LEA **met** the MOE requirement.
- During FY2021-22, the LEA had a required level of effort of \$130,000, and an actual level of effort of \$100,000 – the LEA **did not** maintain effort.
- The LEA is in the process of budgeting for FY2022-23, but does not have final expenditure data for FY2021-22. The LEA must budget \$130,000 for FY2021-22, based on its required level of effort in FY2020-21, even though its actual level of effort that year was only \$100,000.

If an LEA meets one of the USDE's exceptions to the MOE penalty, then the base amount will drop to reflect that exception.

- A special education teacher retires, and the salary and fringe of this long-term and experienced teacher is \$90,000. The LEA replaces this position with a qualified special education teacher at a salary and fringe of \$60,000. The LEA would be allowed to reduce their MOE obligation by \$30,000 (net difference between the experienced teacher salary and new teacher salary).
- A dually licensed special education teacher voluntarily chooses to accept a teaching position in general education. The district determines that there is not a need to replace the teaching position. The exception to MOE would be the full salary and benefits of the teacher who voluntarily took the general education position.

All LEAs will be required annually to show evidence of MOE planning through the budget application process.

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), CEIS (Project Code 623), Private Schools for Flow Through (Project Code 625), High Need Funds-Tier 1 (Project Code 626), High Need Funds-Tier 2 (Project Code 627), Professional Development (Project Code 613), Monitoring Assistance (Project Code 615), Certification Examination Reimbursement (Project Code 616), Preschool (Project Code 641), and Private Schools for Preschool (Project Code 642), must be maintained. Each funding source must be coded separately from other funding sources to avoid commingling of funds.
- The State of Oklahoma assures that federal funds provided under IDEA Part B will not be commingled with State funds.

Payment Procedures

- 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 expenditure report must be for the 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.
- The OSDE will continue to provide a notice of payment of funds to the appropriate personnel of the LEA.

Time and Effort Reporting

In general, salaries and wages of employees who work on federally funded programs may be paid with federal funds as long as they are working on the grant objectives and appropriate time and effort records are maintained.

Federal regulation requires that any salaries and benefits charged to a federal award(s) must be documented in writing.

- Reflect actual time spent on activities to which federal program(s) are being charged.
- The employee and the employee's supervisor must sign documentation.

Time and effort reports should be prepared for any staff with salary and benefits that are charged:

- Directly to a federal award.
- Directly to multiple federal awards.
- Directly to any combination of federal award and other State or local fund sources.

Time and effort reports must be on file at the district.

- A random time and effort report of an actual employee must be uploaded during the district's closeout.

Single Cost Objective

- A single work activity that may be funded by one or more fund sources.
- Semi-annual time and effort documentation is made in arrears.

Multiple Cost Objectives

- For employees who have different jobs or are paid with different funds;
- Must reflect an after-the-fact distribution of the actual activity of each employee;
- Must account for the total activity for which each employee is compensated;

- Must be prepared at least monthly and coincide with one or more pay periods; and
- Must be signed by the employee and supervisor.

Auditing Procedures

Annual audits of financial transactions and compliance of each LEA are required by Oklahoma State law. Federal regulations require a financial and compliance audit of all programs receiving federal funds in excess of \$750,000. These regulations 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.

Fiscal Internal Control Policy

Internal controls moves guidance previously only discussed in audit requirements into the administrative requirements to encourage non-Federal entities to better structure their internal controls earlier in the process.

Efforts to mitigate risks of waste, fraud, and abuse would be strengthened by a more explicit reference to existing internal control requirements issued by the Government Accountability Office (GAO) and the Committee of Sponsoring Organizations of the Treadway Commission (COSO), the Council on Financial Assistance Reform (COFAR) recommended including this new section of the guidance which makes explicit non-Federal entity's responsibilities with regard to effective internal controls.

The non-Federal entity must:

- a) Establish and maintain effective internal control over the Federal award that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States and the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).
- b) Comply with Federal statutes, regulations, and the terms and conditions of the Federal awards.
- c) Evaluate and monitor the non-Federal entity's compliance with statute, regulations and the terms and conditions of Federal awards.
- d) Take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings.
- e) Take reasonable measures to safeguard protected personally identifiable information and other information the Federal awarding agency or pass-through entity designates as sensitive or the non-Federal entity considers sensitive consistent with applicable Federal, state and local laws regarding privacy and obligations of confidentiality.

IDEA Consolidated Application- Flow-through Private (Project 625) and Preschool Private (Project 642)

The LEA's obligations to parentally placed private school children with disabilities are different from its responsibilities to those enrolled in public schools or to children with disabilities placed in a private school by a public agency (rather than by parents) as a means of providing FAPE. Parentally placed children with disabilities do not have an individual entitlement to services they would receive if they were enrolled in a public school. Instead, the LEA is required to spend a proportionate amount of *IDEA* federal funds to provide equitable services to this group of children. Therefore, it is possible that some parentally placed children with disabilities will not receive any services while others will. For those who receive services, the amount and type of services also may differ from the services the child would receive if placed in a public school by the parents or in a private school by a public agency. LEAs are required to consult with private school representatives and representatives of parents of parentally placed children with disabilities during the design and development of special education and related services for these children.

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 students with disabilities:

- For students ages 6 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 students with disabilities ages 3 through 21 who are enrolled by their parents in private schools, including religious, elementary schools and secondary schools located in the LEA, is to the total number of students with disabilities in its jurisdiction ages 3 through 21.
- For students ages 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 students with disabilities ages 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 students with disabilities in the jurisdiction ages 3 through 5.

The Online Grants Management System will calculate the LEA's minimum amount for its IDEA Part B Flow-Through allocation.

- Indicate the total number of parents parentally-placed in private schools located in the LEA who were eligible for special education and related services in the previous fiscal year based on October 1 Child Count.
- Indicate the total number of students in public schools in the LEA who were eligible for special education and related services in the previous fiscal year based on October 1 Child Count.
- On the Allocation tab on the IDEA Consolidated Application, indicate the calculated total for proportionate share in the columns for proportionate share.

If the LEA fails to spend the proportionate amount of funds set aside for students 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.

- 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 students with disabilities in excess of the proportionate share requirements.
- LEAs are prohibited from providing services to children participating in the Lindsay Nicole Henry Scholarship for Students with Disabilities Program.

Private School Proportionate Share

- Ensure that LEAs properly determine the proportionate share of IDEA funds to be spent on equitable services;
- Ensure proportionate share funds do not benefit a private school. (Lindsey Nicole Henry Scholarship students cannot receive any services with these funds.);
- Ensure appropriate use of public and private school personnel; and
- 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.

IDEA Consolidated Application- Early-Intervening (Project 623)

An LEA may not use more than 15 percent of the amount such LEA receives under IDEA Part B for any fiscal year, less any amount reduced by the agency, in combination with other amounts; this may include amounts other than education funds to develop and implement CEIS. CEIS may include interagency financing structures for students in kindergarten through grade 12 (with a particular emphasis on students enrolled 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 part of the flow-through funding amount; no additional funds are provided.

- An LEA may not use more than 15 percent of the amount it 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 CEIS designed to improve results for students and families, including students with disabilities and their families.
- In implementing 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
- 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 CEIS project under Title XI of the ESEA and a coordinated CEIS 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 CEIS must annually report to the State educational agency-
 - The number of students served under this section who received CEIS; and
 - The number of students 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 select to move those funds to Project 623. Expenditures are then budgeted to Project 623.
- CEIS funds will be claimed on a separate budget expenditure report to Project Code 623.
- Each LEA must submit a budget and expenditure reports under Fund 11 and Project Code 623 (i.e. CEIS funds may only be used at the LEA-level and cannot be maintained through a cooperative or interlocal).

Schoolwide Programs

- Ensure appropriate calculation and use of funds for schoolwide programs; and
- Ensure LEAs using Part B funds for schoolwide programs provide students with disabilities services in accordance with a properly developed individualized education program (IEP) and all the rights and services afforded under the IDEA.

Coordinated Early Intervening Services (Voluntary)

- Permit LEAs to use funds to develop and implement Coordinated Early Intervening Educational Services (CEIS);
- Ensure that LEAs using CEIS funds use those funds appropriately and annually report the use of the funds.
- LEAs voluntarily setting aside CEIS funds may still use the 50 percent reduction on MOE.

Comprehensive Coordinated Early Intervening Services

In December 2016, the Office of Special Education Programs (OSEP) finalized new regulations on significant disproportionality (34 CFR §300.646). These regulations enforce the use of Individuals with Disabilities Education Act (IDEA) funds for mandatory Comprehensive Coordinated Early Intervening Services (CCEIS), which local education agencies (LEAs) provide upon identification of significant disproportionality, and distinguish use of funds for CCEIS from the use of IDEA funds for voluntary Coordinated Early Intervening Services (CEIS).

LEAs identified as being significantly disproportionate are required to set aside 15 percent of their joint Project 621 and Project 641 IDEA current year allocation. The LEA must address any policy, practice, or procedure it identifies as contributing to the significant disproportionality, including any that result in a failure to identify or the inappropriate identification of a racial or ethnic group or groups. The LEA is required to publicly report on the revision of policies, practices, and procedures. The LEA retains full flexibility regarding whether the reservation is made with project 621 funds, project 641 funds, or both.

The LEA may serve children age 3 through grade 12 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; or
- Currently identified as needing special education or related services (funds can be used primarily, but not exclusively, for this group).

LEAs required to set aside Part B funds for mandatory CCEIS may not reduce Maintenance of Effort using the 50 percent reduction.

Use of Funds

LEAs must use funds reserved for CCEIS to identify and address the factors contributing to the significant disproportionality in the LEA for the identified category.

These factors may include a lack of access to scientifically based instruction; economic, cultural, or linguistic barriers to appropriate identification or placement in particular educational settings; inappropriate use of disciplinary removals; lack or access to appropriate diagnostic screenings; differences in academic achievement levels; and other similar policies, practices, or procedures that contribute to the significant disproportionality.

An LEA may use CCEIS funds for training and professional development and behavioral evaluations and supports, such as functional behavioral assessments, behavioral intervention plans, and positive behavioral interventions and supports, but only to the extent that it is doing so to address the factors identified by the LEA as contributing to the significant disproportionality identified by the State.

Methods of Procurement

The non-Federal entity must use one of the following methods of procurement.

- a) Procurement by micro-purchase is the acquisition of supplies or services, in an aggregate dollar amount of which does not exceed \$3,000 (or \$2,000 in the case of acquisitions for construction subject to the Davis-Bacon Act). To the extent practicable, the non-Federal entity must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the non-Federal entity considers the price to be reasonable.
- b) Procurement by small purchase procedures are simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources.
- c) Procurement by sealed bids (formal advertising). Bids are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction, if the conditions in paragraph (c)(1) of this section apply.
 - a. Sealed bidding considerations:
 - i. A complete, adequate, and realistic specification or purchase description is available;
 - ii. Two or more responsible bidders are willing and able to compete effectively for the business; and
 - iii. The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.
 - b. Sealed bidding requirements:
 - i. The invitation for bids will be publicly advertised and bids must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids;
 - ii. The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond;
 - iii. All bids will be publicly opened at the time and place prescribed in the invitation for bids;
 - iv. A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and
 - v. Any or all bids may be rejected if there is a sound documented reason.

- d) Procurement by competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed price or cost reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply:
 - a. Requests for proposals must be publicized; identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical;
 - b. Proposals must be solicited from an adequate number of qualified sources;
 - c. The non-Federal entity must have a written method for conducting technical evaluations of the proposals received and for selecting recipients;
 - d. Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price, services or products rendered, contract requirements; and
 - e. The non-Federal entity may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms.
- e) Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:
 - a. The item is available only from a single source;
 - b. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
 - c. The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity; or
 - d. After solicitation of a number of sources, competition is determined inadequate.

General Procurement and Vendor Selection

- a) The non-Federal entity must use its own documented procurement procedures, which reflect applicable State and local laws and regulations, provided that the procurements conform to applicable Federal law and the standards.
- b) Non-Federal entities must maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.
- c) Conflicts of Interest:
 - a. The non-Federal entity must maintain written standards of conduct covering conflicts of interest and governing the performance of its employees engaged in the

selection, award and administration of contracts. No employee, officer, or agent must participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents of the non-Federal entity must neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, non-Federal entities may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the non-Federal entity.

- b. The non-federal entity must also maintain written standards of conduct covering organizational conflicts of interest. Organizational conflicts of interest mean that because of relationships with a parent company, affiliate, or subsidiary organization, the non-Federal entity is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization.
- d) The non-Federal entity's procedures must avoid acquisition of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.
- e) To foster greater economy and efficiency, and in accordance with efforts to promote cost-effective use of shared services across the Federal government, the non-Federal entity is encouraged to enter into State and local intergovernmental agreements or interentity agreements where appropriate for procurement or use of common or shared goods and services.
- f) The non-Federal entity is encouraged to use Federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs.
- g) The non-Federal entity is encouraged to use value engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions. Value engineering is a systematic and creative analysis of each contract item or task to ensure that its essential function is provided at the overall lower cost.
- h) The non-Federal entity must award contracts only to responsible contractors possessing the ability to perform successfully under the term and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.
- i) The non-Federal entity must maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to the following: rationale for the

method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.

- j) Time and Material Contracts:
 - a. The non-Federal entity may use time and material type contracts only after a determination that no other contract is suitable and if the contract includes a ceiling price that the contractor exceeds at its own risk. Time and material type contract means a contract whose cost to a non-Federal entity is the sum of:
 - i. The actual cost of materials; and
 - ii. Direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit.
 - b. A time and material formula generates an open-ended contract price, a time-and materials contract provides no positive profit incentive to the contractor for cost control or labor efficiency. Therefore, each contract must set a ceiling price that the contractor exceeds at its own risk. Further, the non-Federal entity awarding such a contract must assert a high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.
- k) The non-Federal entity alone must be responsible for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes, and claims. These standards do not relieve the non-Federal entity of any contractual responsibilities under its contracts. Violations of law will be referred to the local, state, or Federal authority having proper jurisdiction.

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 (DOL).

This requirement extends to contracts issued by the federal grant or contract recipient that are funded by the federal grant or contract. Non-federal entities are required 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. 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).

Uniform Grant Guidance

On December 26, 2013, the Office of Management and Budget (OMB) published new guidance for Federal award programs, OMB Uniform Guidance: Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards of a 21st Century government that is more efficient. The reform of OMB guidance reduces administrative burden for non-federal entities receiving federal awards while reducing the risk of waste, fraud and abuse.

- Final Guidance has been issued that, upon implementation, will supersede requirements from OMB Circulars A-21, A-87, A-110, and A-122 (which have been placed in 2 C.F.R. Parts 220, 225, 215, and 230); Circulars A-89, A-102, and A-133; and the guidance in Circular A-50 on Single Audit Act follow-up.
 - OMB Uniform Grant Guidance can be found in its entirety with helpful resources.
 - In addition to the Uniform Grant Guidance, the Education Department General Administrative Regulations (EDGAR) still applies.

Treatment of Charter Schools and Students

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.

- Students with disabilities who attend public charter schools and their parent(s) retain all rights for a Free and Appropriate Public Education (FAPE).
- For charter schools sponsored by a board of education of a school district, the sum of the separate calculations for the charter school and the school district shall be used to determine the total State Aid allocation for the district in which the charter school is located. A charter school shall receive from the sponsoring school district, the State Aid allocation and any other state-appropriated revenue generated by its students for the applicable year, less up to five percent (5%) of the State Aid allocation, which may be retained by the school district as a fee for administrative services rendered.
- 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 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 seeking enrollment. An 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 LEA under the IDEA Part B.

A charter school is defined as a public school that, in accordance with a specific State statute authorizing the granting of charters to schools, 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 the charter school must:

- Meet with an OSDE IDEA Part B Finance Specialist for technical support. Contact the OSDE-SES at (405) 521-3351 to schedule an appointment;
- Establish eligibility to receive funds under the particular program and comply with all program requirements; and
- 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 or must:
 - Provide estimated student free and reduced lunch count ages 3 – 21;
 - Identify each free and reduced lunch student (count) from each sending county and district;
 - Identify the projected student (count) from each sending county and district; and
 - Provide IDEA student population ages 3 – 21 from each sending county and district.

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.
 - 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.
 - 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 rate 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.
- 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 may draw tenure with that LEA. Should the cooperative dissolve, provisions should be made for any 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 students who are nondisabled in the same LEA.
- Matching teacher retirement payments must be made proportionately, as is applicable, to each federally funded special education teacher.
- 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.
- 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 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.

Withholding 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.

Overpayments

If an LEA receives an overpayment of any funds and 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.

Policies for Use of Special Education Federal Funds

General Policies

1. IDEA Part B funds may not be used as the State match for federal reimbursements under the Medicaid program.
2. Reimbursement amounts are NOT to be disbursed to individual schools participating in cooperative programs unless the funds justified in the project application and by the OSDE.
3. 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.
4. 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

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

Policies on Use of Carryover Funds

1. Flow-Through (Project Code 621), CEIS (Project Code 623), Private Schools for Flow-Through funds (Project 625), Preschool (Project Code 641), and Private Schools for Preschool funds (Project Code 642) 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.
2. 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.
3. If LEAs participating in a cooperative program dissolve; any remaining carryover funds will be dispersed on a per-child basis, if no formal written agreement to do otherwise exists.

Assurances and LEA Agreements

Assurances

- Each LEA must agree to meet the general and specific federal and state program assurances.
- The Assurances for the IDEA are included in the Assurances located in the Grants Management System under the Consolidated Plan heading.
- The Assurances must be completed before the IDEA Consolidated Application is available.

LEA Agreements

Each local education agency must complete the LEA Agreement. The LEA Agreement is located in the Grants Management System under the IDEA heading. The LEA Agreement must be completed before the IDEA Consolidated Application is available. When completing the LEA Agreement, specific documentation is required to be uploaded. The district will enter important information including district policies and procedures regarding:

- Child Find or the LEA identification process.
- Policies/Procedures on Discipline/Expulsion.

Once LEA's have certified their OCAS data, an amendment must be completed to update the MOE tab to match their OCAS data.

Allocations to LEAs

Each year Oklahoma receives grants under Section 611 and Section 619 of the IDEA. The manner in which the amount of the State allocation is determined, as well as the required minimum and maximum amounts for:

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

After setting aside necessary and allowable amounts for State administration and other State-level activities, the OSDE must allocate the remainder of the grant as flow-through sub-awards to Oklahoma LEAs.

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 amount 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.

- 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 and;
 - 15% on the basis of the relative numbers of children living in poverty, as determined by the State Education Agency (SEA).
 - Each LEA receives an allocation notice from the OSDE. The Allocation Notices are found on the Single Sign On under Allocation Notices System.

Timelines for Submission of Applications

Each LEA must submit Assurances and the LEA Implementation Agreement through the Online Grants Management System by June 30 each year. Funds must be obligated during the fiscal year of the project. Current Year Allocation Notices will be posted on the Single Sign On system (SSO).

- Final Fiscal Year claims for reimbursement must be uploaded in the Grants Management System (GMS) on or before August 1. The Administrative Code does not allow for late claim submissions. Payment of late claims submitted after August 1 is subject to the approval of the State Board of Education.
- Final Fiscal Year closeout procedures must be completed after the Final Expenditure Report has been processed.
- Each LEA is required to submit the Individuals with Disabilities Education Act (IDEA) Part B Consolidated Application through the Online Grants Management System before reimbursements can be submitted.
- Expenditure reports will not be reimbursed prior to the approval of the LEA's Consolidated Budget Application for Special Education Funds.
- Child Count will be taken from the Ok EdPlan system for the October 1 Child count.
- Each LEA must submit data (as required).

IDEA Consolidated Budget Application

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. 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.

Definition of Priorities

When submitting a budget application for IDEA Part B, the following priority areas must be followed:

1. LEAs must continue supporting child identification, location, and evaluation activities;

2. LEAs must provide a free appropriate public education (FAPE) to all identified children;
3. LEAs must meet the full educational opportunity goal (FEOG), including employing additional personnel and providing in-service training to increase the level, intensity, and quality of services provided to individual children with disabilities;
4. LEAs must meet all requirements of IDEA Part B; and
5. LEAs must make available to parents of children with disabilities and to the general public all documents relating to eligibility.

Steps to Complete IDEA Consolidated Budget Application

1. Log in to Single Sign On Portal on the OSDE Web site.
2. Click the Grants Management and Expenditure Reporting link.
3. Select GMS Access/Select
4. Select Program
5. Create Application.
6. The application will open to IDEA Consolidated page. Complete the information under each tab.
7. When each tab is completed under the IDEA Consolidated page, select the Application Sections drop down box at top right corner of the page and choose the appropriate program. (621, 641, 642, 623, 625).
8. Complete each budget page applicable.
9. Use the Application Sections drop down box to return to the IDEA Consolidated page.
10. Select the submit tab and run the Consistency Check.
11. When the Consistency Check is successful, submit the application. The Superintendent must submit the application.

An OSDE-SES Finance Specialist will review all submitted applications for approval on a first come, first served basis. LEA personnel can view the status of submitted Consolidated Budget Applications at any time. All budget applications must be completed and submitted by October 31.

Notice and opportunity for hearing on LEA application if not approved.

- If major clarifications on the application are needed and/or noncompliance areas are 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.

Budget Amendment Procedures

Should the need develop to expend IDEA Part B funds differently than the approved application, an amended 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 25%, a revised budget will be required before further disbursements will be made. Appropriate justification pages must be included in an amended budget application. No budget amendment can be submitted after June 30.

If changes in personnel employed have occurred from the original approved application (e.g., names, certification numbers, positions, salaries), the LEA must submit an amended budget with an updated personnel page.

- In order to complete a budget amendment, follow the same steps to complete an original application. Create Amendment. Once the Application opens, make any needed changes. After the changes are made, choose the Submit tab, run the Consistency Check, and submit the Budget Amendment.

Personnel Development

The LEA must ensure that all personnel necessary to implement IDEA Part B are appropriately and adequately prepared.

Personnel Qualifications

The LEA 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. Personnel should have the content knowledge and skills to serve children with disabilities. Qualifications must be 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.

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. 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).

Activities Funded

- Membership in State and national professional organizations for special education teachers, related services, and leadership;

- 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** (function code 2210) for instructional staff only (e.g., teachers, paraprofessionals, and teacher assistants):
 - Substitute teachers (object code 100)
 - Benefits for substitutes (object code 200)
 - Teacher stipends (object code 100) district negotiated amount
 - Consultant fees and expenses: not on the payroll (object code 300)
 - Materials and supplies: those necessary for training activities (object code 600)
 - Lodging (object code 500)
 - Travel: current state rate (object code 500); Air travel by commercial air (coach) fare only (object code 500)
 - Per diem (object code 500)
 - Dues and fees (object code 800)
 - Staff registration and tuition (object code 800)
 - Professional publications (object code 600)

- **Personnel (staff) Services** (function code 2570) for all non-instructional staff, (i.e., administrators, school board members, counselors, bus drivers, and school nurses):
 - Consultant fees and expenses: not on the payroll (object code 300)
 - Materials and supplies: those necessary for training activities (object code 600)
 - Lodging (object code 500)
 - Travel: current State rate (object code 500); Air travel by commercial air (coach) fare only (object code 500)
 - Per diem (object code 500)
 - Dues and fees (object code 800)
 - Staff registration and tuition (object code 800)
 - Professional publications (object code 600)

Salaries

Object Code 100

- All personnel must be listed on the School Personnel Records and verified on the GMS Personnel Page to determine if they are allowed to be paid with federal funds.
- Stipends and Tutor pay must be for allowable services and allowable personnel who perform direct services to the specific federal program. These payments must be listed in School Personnel Records by the end of each fiscal year. If not listed in SPR, timesheet must be provided.
- Stipends for allowable PD activities must be accompanied by the PD registration invoice which must reflect the name of the workshop and participants names. Stipends for nonconference PD will need an agenda attached with names of participants.
- Please check with the program specific area for unallowable job codes.

Benefits

Object Code 200

- No supporting documentation is required.
- FICA, group insurance, teachers' retirement, matching teachers' retirement, unemployment, workers' compensation.

Contracted Services

Object Code 300

A contract is a written 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.

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.

Purchased Property Services

Object Code 400

Services purchased to operate, repair, maintain, and rent property owned and used by the LEA. These services are performed by persons other than LEA employees. While a product may or may not result from the transaction, the primary reason for the purchase is the service provided.

- All invoices for property services must be attached.

Other Purchased Services

Object Code 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 (e.g., work-study coordinators and/or itinerant teachers on official business related to the grant program).

- All invoices for purchase of services must be attached.
- All travel expenses related to professional development activities (hotel, airfare, per diem, real-time expenses) must be accompanied by the registration invoice (coded under object code 800) which will list the name of the activity and all participant names.
- If airfare/hotel/per diem/real-time expenses are paid in the same month as the registration fee, the registration invoice will suffice as documentation. If the airfare/hotel/per diem/real-time expenses are paid on a different claim, the registration invoice must be submitted again with the new claim for the month these expenses are claimed. Note: Alcohol, gum, candy, snacks, souvenirs, jewelry, or personal expenses will not be accepted. It is suggested LEA's purchase refundable air fare.
- If necessary, airfare, hotel reservations, workshop registration can be paid in advance.
- "Real-time" expenses (such as per-diem, food, luggage fees, taxi, airport fees, etc.) cannot be paid in advance.

Materials and Supplies

Object Code 600

Materials and supplies are expendable, tangible properties that are required to operate the Special Education program on a daily basis (e.g., equipment and furniture having an acquisition cost of less than \$5,000). 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

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.

- All invoices and receipts for non-instructional supply items must be attached.
- If instructional supplies are claimed and on the vendor list, no documentation needed.

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.

Meals and Refreshments

Costs of meetings and conferences where the primary purpose is the dissemination of technical information are allowable. 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 – non-instructional staff).
- Limited meals or refreshments during a “working session” in which participants are engaged in discussion/activities during the normal mealtime and in which no other opportunity for a

meal will be provided where attendance is essential to accomplish the objectives of the program.

- Alcoholic beverage costs are not allowable.
- Food for instructional purposes when an integral part of the instruction and when costs are reasonable and necessary to accomplish the objectives of the program are allowable (1000-600).

Equipment

Object Code 700

Equipment must be listed and justified on the equipment tab of the IDEA Consolidated Application. Equipment must be coded according to function area (e.g., instruction, speech pathology, health services, administration, and support services).

- 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 \$5,000.00 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.
- Equipment for administrative/instruction is allowable for project personnel; i.e., desks, chairs, file cabinets, 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 \$5,000.00 per unit).
- Equipment for pupil transportation is allowable, such as modification of a bus, with equipment itemized. Items costing less than \$5,000.00 per unit would be coded as supplies.
- 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 OSDE-SES.

- 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

Lease-purchase agreements are allowable under IDEA Part B. IDEA Part B funds may be used to lease or purchase special vans, buses, etc., (modified if needed) to transport children with disabilities ONLY.

- Interest paid or incurred during the grant period on any lease-purchase of equipment regardless of the acquisition date is allowable.
- 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

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
- 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.
- Disposition information, as applicable.

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 the 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

Object Code 600 or 700

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 over \$5,000 per unit, it is classified as equipment (object code 700). If the amount is under \$5,000 per unit, it is classified as supplies (object code 600).

Other Objects

Object Code 800

- Registration for PD requires an invoice with the participants' name listed.
- Payments with LEA credit cards should include the vendor name, as well as the credit card name on purchase orders (i.e. Visa/Holiday Inn)

Other Allowable Expenses

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

- 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.
 - Any expense coded to Object 560 is for the expense of a child's tuition and not that of an LEA employee.
- Services purchased from another LEA within the State including transfer fees – (Object code 500)
- Operation of Building Services (2620-400)
 - Utility services (non-energy) such as water/sewer services.

- Repairs and maintenance of property (ordinary upkeep) that does not materially increase the value or useful life of the capital asset. 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 is 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.
- 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.
- 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.
- 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.
- 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 school wide 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):

10 = number of students with disabilities participating in the schoolwide program multiplied (x) by
\$50,000 = IDEA Part B funding received by the LEA for the current fiscal year divided (÷) by
100 = number of students with disabilities in LEA equals (=)
\$5,000 = the maximum amount of IDEA Part B funds to be used in a Title I schoolwide program

- Indirect Cost (5400-900)

Expenditure Reports

Once the Assurances and LEA Agreement are completed and the OSDE-SES has received new special education allocations, the IDEA Consolidated Application will be available to budget monies. Funds are available on a reimbursement basis, using the Joint Federal Claims Procedures. LEAs must budget funds and receive approval from the OSDE-SES before applying for reimbursement.

Submitting Expenditure Reports for Reimbursement of Funds

- NO claim will be paid without a valid UEI number and current expiration date.
- Attach supporting documents, which must include the Summary Expenditure Report, the Detailed Expenditure Report and all required invoices and receipts.
- The expenditure summary and detail page must be signed. They must be signed by the local board of education approved authorized official who is legally authorized to bind the local education agency. If the person authorized is not the Superintendent, a copy of the board minutes authorizing the signor must be uploaded to the claim.
- Do not name uploads with special characters (#\$*&).

Completing an Expenditure Report

1. Log in to the Single Sign On portal of the OSDE-SES Web site. Choose the 'Payments' option.
2. Select 'View Summary Expenditure.'
3. Select the Program for which the expenditure report is going to be completed.
4. Choose Create New Request.
5. Review the top of the Expenditure Report screen as a reminder of the district's budget. It is shown for reference only.
6. Complete the following: function code, object code, description, amount and if needed, Indirect cost.
7. Complete the date range of the Expenditure Report.
8. Upload the signed Expenditure Report.
9. The Superintendent must then submit the Expenditure Report.

District Closeout Procedures

Districts are required to perform closeout procedure by September 1 of each Fiscal Year. Once all claims are submitted and processed, districts can then perform the closeout process.

1. On the *GMS Access/Select* page click on Payments button.
2. Click on the View Summary Expenditure/Closeout Reports button.
3. Click on the drop down box on program and select which project to close. On the bottom of your screen you will see "Closeout Report"
4. Click on the Create Closeout button.
5. The information listed shows the Final Approved Budget, OSDE Payments, Previously Reported, and Expenditure Amount. Do not type in the boxes provided under Expenditure Amount.
6. There is a drop down box entitled Expenditure Period End Date. Choose the end of June date.
7. The district must view the section RECAP for accuracy. The Grant Award (Allocation) must match the Approved Budget amount. The Amount Paid to Date must match Expenses to Date. Balance Due LEA and Funds on Hand should be zero. The Carryover Amount reflects the amount of funds that the district has not spent.
8. Do not upload final expenditure when performing the closeout procedure. However, if you pay salaries, you must upload a time and effort report. If you pay a contract service, you must upload a vendor performance review for each vendor.
9. Click the Save button at the bottom of the page.
10. A closeout must be performed for each project for which an allocation was budgeted.
11. Once all steps have been completed for each program, the closeout will be ready for the superintendent to Certify/Submit to Special Education Services. Contact your OSDE-SES Finance Specialist if assistance is needed.

Special Education Professional Development Grant-OSDE Sponsored (Project 613)

The purpose of this project is to reimburse districts the cost of travel, hotel, substitute teachers, and registration for eligible events/trainings.

- The intent of this grant is to encourage district involvement in Professional Development opportunities.
- The OSDE-SES will note the availability of funds from this program on the registration information for eligible events.
- Funds for this project are limited and based upon availability.

Reimbursement will include:

- Mileage – State rate applies
- Substitute cost

- Registration
- Hotel – State rate applies

Reimbursement will not include:

- Individual Reimbursement
- Per Diem / Food

In order to take advantage of this opportunity, districts will need to create an application in the Grants Management System for Project 613. The application will include:

- Names and title of staff members attending the event/training
- Event/training title and date
- Estimated cost breakdown

Special Education Professional Development Grant-District (Project 615)

The purpose of this project is to provide additional funds to districts for professional development. These funds may only be used for professional development activities that increase the ability of teachers to ensure positive outcomes for students with disabilities. In order to take advantage of this opportunity, districts will need to create an application in the Grants Management System for Project 615.

- Districts must submit a professional development plan to justify the activities.
- Funds are allocated to districts based on their most recent child count.

Subject Area Certification Examination Reimbursement (Project 616)

The purpose of this project is to reimburse districts for assisting teachers that need to take and pass additional subject area certification examinations.

- It is limited to one exam per individual and districts must provide justification for the necessity of each individual to take and pass the subject area examination.
- Funds for this project are limited and based on availability.
- Districts will need to ensure that their board policies allow for subject area certification reimbursements.

The OSDE-SES will reimburse districts for fees associated with subject area examinations.

Teachers who are currently certified in Special Education:

CEOE/OSAT

- a. Early Childhood Education (105)
- b. Elementary Education Subtest 1: Reading/Language Arts (050) and Elementary Education Subtest 2: Social Studies/Mathematics/Science/Health, Fitness, and the Arts (051)
- c. English (007) or English (107)
- d. Middle Level English (024)
- e. Advanced Mathematics (011) or Advanced Mathematics (111)
- f. Elementary Mathematics Specialist (082)
- g. Middle Level/Intermediate Mathematics (025) or Middle Level/Intermediate Mathematics (125)
- h. Chemistry (004)
- i. Earth Science (008)
- j. Middle Level Science (026)
- k. Physical Science (013)
- l. Physics (014)
- m. Middle Level Social Studies (027)
- n. Psychology/Sociology (032)
- o. U.S. History/Oklahoma History/ Government/Economics (017)
- p. World History/Geography (018)

Praxis

- a. Early Childhood (1003)
- b. Elementary Education (1600)
- c. Mid-Level English (4150)
- d. Mid-Level Math (5554)
- e. Mid-Level Science (6055)
- f. Mid-Level Social Studies (6560)
- g. Advanced Math (5550)
- h. American History (6501)
- i. Biology (6003)
- j. Chemistry (6006)
- k. Earth Science (6009)
- l. Economics (6511)
- m. English (4050)
- n. Geography (6513)
- o. Journalism (4101)
- p. Physical Science (6013)
- q. Physics (6015)
- r. Psychology (8013)
- s. Sociology/Anthropology (6519)
- t. U.S. History (6521)
- u. World History (6523)

General Education Teachers or Participants in the Non-Traditional Route to Special Education Certification

CEOE/OSAT

- a. Mild-Moderate Disabilities (029) or Mild-Moderate Disabilities (129)
- b. Severe-Profound/Multiple Disabilities (031) or Severe-Profound/Multiple Disabilities (131)
- c. Blind/Visual Impairment (028)
- d. Deaf/Hard of Hearing (030)
- e. Special Education Comprehensive

Praxis

- a. Blind Visual Impairment (2550)
- b. Deaf and Hard of Hearing (2552)
- c. Mild/Moderate Disabilities (2556)
- d. Severe/Profound Disabilities (2558)

In order to take advantage of this opportunity, districts will need to create an application in the Grants Management System for Project 616.

IDEA Consolidated Application- Flow-through (Project 621)

Project 621 provides supplemental funds to ensure that all children with disabilities ages 3 through 21 receive FAPE. Funds may be used to support salaries of staff who provide services for special education students. This may include teachers, aides, administrative staff and other personnel such as social workers, psychologists, and physical therapists; training; specialized consultants; and instructional supplies, materials and equipment.

IDEA Consolidated Application- Preschool (Project 641)

The purpose of the IDEA Part B Preschool Grant is to help states ensure that all preschool-aged children 3 through 5 years of age with disabilities receive special education and related services. This program provides funds to employ staff and purchase materials/supplies to supplement a comprehensive special education program for children with disabilities ages 3 through 5.

High Needs

The Individuals with Disabilities Education Act (IDEA) of 2004 granted states the flexibility to set aside a percent of the funds reserved for state-level activities to establish a funding mechanism that would reimburse local educational agencies (LEAs) for costs of high need students with disabilities. The Oklahoma State Department of Education (OSDE), in collaboration with a group of

stakeholders, has developed an application process to reimburse LEAs for the excessive costs of high need students. Application materials are located on the Special Education Services page of the OSDE Web site, <www.sde.ok.gov>.

IDEA High Needs Tier 1 (Project 626)

Tier 1 includes funding for out-of-state residential placements (see memorandum regarding out-of-state residential placements found on the Special Education Services page of the OSDE Web site). For students with special needs whom the local IEP team determines an out-of-state residential placement is needed and appropriate to provide a FAPE, the district will contract with and pay for the out-of-state residential facility upon approval. The LEA will be responsible for reimbursement to parents/guardians for reasonable and necessary travel expenses associated with the out-of-state placement. OSDE will reimburse the district on a sliding scale based on the districts revenue. Prior approval by the OSDE-SES is required for Tier 1 funding.

IDEA High Needs Tier 2 (Project 627)

Tier II includes funding for all other high need students with excessive costs to the LEA. To qualify for Tier 2 funding:

- The expenses for the high need student must be at least three times the average per pupil expenditure in Oklahoma.
- The total cost of all high need students in the LEA must be at least ten percent (10%) of the LEA's previous year Flow-Through allocation.
- LEAs meeting these criteria should submit a completed High Needs application (including certification application, request summary, a completed high need student application, the current Individualized Education Program(s), and invoices for all expenses claimed).

Lindsey Nicole Henry Scholarship for Students with Disabilities

The Lindsey Nicole Henry Scholarship (LNHS) for Students with Disabilities program was first established in 2010 with the passage of House Bill 3393. The LNHS Program was created to provide a scholarship to a private school of choice for students with disabilities. The law allows the parent/legal guardian of a public school student with a disability to exercise their parental option and request to have an LNHS awarded for their child to enroll in and attend a private school approved by the Oklahoma State Board of Education.

The parent/legal guardian must apply for the LNH Scholarship by completing the application by December 1 of the school year that the student intends to participate in the scholarship program.

The child must have been on an IEP prior to the request; spent the prior school year in attendance at a public school in Oklahoma; and have been reported by public school for funding purposes during that year. For purposes of the scholarship, “prior school year in attendance” means that the student was enrolled in and reported by a school district for funding purposes during the preceding school year on October 1.

Additionally, please make note of the following requirements:

1. The private school selected by the parent/legal guardian must meet the criteria for an eligible program and must be approved by the Oklahoma State Board of Education prior to the parent requesting the scholarship.
2. The parent/legal guardian must obtain an acceptance letter for their child from an approved private school. The parent/legal guardian will submit an LNH Scholarship Application to the OSDE along with the following documents:
 - a. Current Multidisciplinary Evaluation and Eligibility Group Summary Form (MEEGS) and most current evaluation/reevaluation documentation
 - b. Current IEP
 - c. State of Oklahoma Vendor/Payee Form

According to the LNH Act: “Acceptance of the Lindsey Nicole Henry Scholarship shall have the same effect as a parental revocation of consent to service pursuant to 20 U.S.C., Sections 1414(a)(1)(D) and 1414(C) of IDEA.” As required by the revocation of consent provisions of the Individuals with Disabilities Education Act, a federal law, and the LNH Scholarship Act, when a parent/legal guardian accepts an LNH scholarship:

1. The student is no longer entitled to receive special education and related services from any Oklahoma public school district, and
2. Each Oklahoma public school district must treat the student as a nondisabled student for all purposes, including discipline. Upon acceptance of an LNH scholarship, the parent/legal guardian will receive a written notice from the student’s public school district that confirms this information.

LNH Application Procedure

- The parent must first choose an approved private school.
- The LNH Scholarship Application must be submitted by the parent/legal guardian to the Oklahoma State Department of Education (OSDE) by mail or fax, with the required documentation, by December 1 of the year that parent/legal guardian is seeking the scholarship.
- All applications received after December 1, will be processed for the following school year.
- An application must be submitted by the parent/legal guardian to the OSDE each year that the parent/legal guardian chooses to participate in LNH Scholarship.

When a parent/legal guardian choose to revoke consent, the revocation is in its entirety. Acceptance of the LNHS will forfeit all special education services, related services and any other

special education supports, including the child's IEP developed while the child was enrolled in the public school district. When the parent revokes consent the district:

- Is not in violation of the requirement to make available a free and appropriate public education (FAPE) to the child for its failure to provide services to the child.
- Will treat the child as a non-disabled student for disciplinary purposes in the public school setting if the child returns to the public school environment; and
- Is not required to amend the child's education records to remove any reference to the child's receipt of special education and related services.

The district will respond to the parent's revocation with a written notice regarding the termination of the educational placement and special education and related services that will result from the revocation of consent. The district will document "parent revocation of services" as a non-eligibility even in OK EdPlan and then proceed with making the student inactive in OK EdPlan with the exit reason "Accepting the LNHS." If the parent elects to re-enroll the child in a public school, terminating eligibility for the LNHS, the parent or guardian or the school district may initiate a request for an initial evaluation to determine if the child is eligible for services under the IDEA.

All recipients of the LNHS must renew scholarship application each year, by submitting a current LNHS application prior to the beginning of the academic year. The scholarship will be prorated after the date of approval by the OSDE, if the application is received and/or approved after the current school year begins.

Example: ABC school starts classes on August 21. Ms. Smith completed an application and the OSDE received it on September 19. The application was approved by the OSDE on September 23. The amount of the scholarship will be prorated for 23 days, as the tuition amount incurred before the scholarship was approved spanned 23 school days.

If the parent/legal guardian of a child receiving the LNH Scholarship fails to submit a renewal application by December 1 of each year, the scholarship will be terminated.

The LNHS Program Application, along with specific procedures; and program requirements is available on the Oklahoma State Department of Education (OSDE) website at <http://ok.gov/sde/lindsey-nicole-henry-lnh-scholarship-program-children-disabilities>.