

Office of the State Superintendent of Education
Division of Specialized Education

Guidance for Changes and Requirements of the
***Funding for Public Schools and Public Charter
Schools Amendment Act of 2011***

June 13, 2012

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Agenda

- Review of Changes and Requirements of the *Funding for Public Schools and Public Charter Schools Amendment Act of 2011* (the Act)
- Review of IDEA MOE Spreadsheet
- Next steps
- Q&A

Major changes as a result of the *Funding for Public Schools and Public Charter Schools Amendment Act of 2011*

- Adds two new special education funding sources to the UPSFF:
 - Special Education Capacity Fund
 - Special Education Compliance Fund
- Clarifies which funding streams in the UPSFF should be used to support the provision of special education services, collectively referred to as “Special Education Payments.”

Major changes.....(continued)

- Defines allowable uses for Special Education Payments and requires LEAs to track their spending
- Requires compliance with IDEA Part B MOE requirement
- Requires LEAs to report on all of the above to OSSE

New special education funding added to UPSFF

- **Special Education Capacity Fund** - specifically designated to increase the capacity of public schools to serve students with Individualized Education Programs (IEPs), including students returning from non-public placements
- **Special Education Compliance Fund** - specifically designated to support activities required to address identified noncompliance with federal and local regulations regarding the provision of special education services to students with IEPs

What are “Formula Base Payments”

- Refer to the basic foundation level and weighted allocations of the UPSFF
- Do not include Special Education Payments under the UPSFF

What are Special Education Payments?

- Funding appropriated by the District through UPSFF in the following budget categories:
 - Special Education Schools
 - Special Education Add-ons
 - Special Education Capacity Fund
 - Special Education Compliance Fund
 - Residential Add-ons for Special Education
 - Special Education Add-ons for Students with Extended School Year (“ESY”) indicated in their Individualized Education Programs (IEPs).

Spending Special Education Payments

- Restricted for use in accordance with allowable special education costs defined in the Act
- **Must** be expended within the fiscal year within which they were appropriated
- **Exemption** from the above rule, if an LEA:
 - (1) Receives a determination level of “Meets requirements” during the IDEA annual determination process; and
 - (2) Meets IDEA MOE requirements for that year

If an LEA does not meet both criteria

- An LEA must spend its Special Education Payments only on allowable special education costs
- If it fails to expend in its entirety Formula Special Education Payments on allowable special education costs within the fiscal year within which the funds are appropriated, the LEA **must reserve** the full amount of unspent funds.
- The reserved funds shall be expended pursuant to a **Corrective Action Plan** approved by OSSE.
- If an LEA fails to comply with this requirement, the District will withhold an amount equal to the unspent portion of such funds from the school's next scheduled Formula base payment.

Tracking and Reporting Special Education Payments Expenditures

- DCPS and public charter schools must track their Special Education Payment funds and report their expenditures to OSSE at least once each year.
- OSSE will release a reporting tool and will require LEAs to report back on FY2012 expenditures in November 2012

What is Maintenance of Effort (MOE) in the IDEA, Part B program

- A federal requirement under IDEA that requires local education agencies (LEAs) to spend the same amount of state and/or local money on the education of children with IEPs from year-to-year.
- To demonstrate compliance with the MOE requirement, an LEA must do two things:
 - At the beginning of the year, the LEA must **budget** to spend at least as much in local money on the education of children with IEPs as it spent in the most recent year; and
 - At the end of the year, the LEA must demonstrate it actually spent at least as much local money on the education of children with IEPs as it spent in the year before.

IDEA, Part B MOE Compliance and Reporting Requirements

- All LEAs that receive IDEA, Part B funding, must comply with the IDEA, Part B MOE requirement.
- In addition, the Act requires DCPS and all public charter schools that receive Special Education Payments under the UPSFF to comply with the IDEA, Part B MOE requirement.
- The law specifically requires public charter schools that receive Special Education Payments to comply with MOE **even if they have elected DCPS as their LEA for IDEA, Part B purposes.**

Should LEAs look at their total expenditures, or their per-pupil expenditures to calculate IDEA MOE?

- An LEA may calculate MOE at its total state and/or local spending on the education of students with IEPs from year-to-year, or its per-student spending from year-to-year.
- The U.S. Department of Education's Office of Special Education Programs (OSEP) advises that LEAs should use a consistent measure from year-to-year
- If an LEA wishes to change the way it measures MOE – from total expenditures to per-pupil expenditures or vice versa – then it should go back one year and recalculate MOE using the changed measure.

What is the consequence if an LEA does not meet MOE?

- The Act requires the District to **withhold** the amount of the violation from the LEA's next Formula Base Payment under the UPSFF. The District will refund the withheld money to the U.S. Department of Education.
- The LEA will not have the flexibility to spend Special Education Payments outside of allowable costs

MOE Reduction Allowed in Special Circumstances

Reduction Due to Justifiable Cost Decreases

- 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 IEPs;
- The termination of the LEA's obligation, consistent with IDEA, Part B, to provide an exceptionally costly program of special education to a particular child because:
 - The child left the LEA;
 - The child is old enough that he/she is no longer eligible for FAPE; or
 - The child no longer needs the program of special education; or
- The termination of an expensive long-term purchase, such as acquiring equipment or constructing school facilities.

MOE Reduction Allowed in Special Circumstances (Cont.)

Reduction Due to IDEA Flexibility Provision

- The LEA's IDEA, Part B grant has increased from the prior year; and
- The LEA received a determination of “meets requirements” during the IDEA annual determination process
- OSSE determines the LEA does not have to set aside funds for early intervening services (CEIS) because the LEA does not have significant disproportionality;
- The LEA spends the “freed-up” state and/or local money on activities that are authorized under the Elementary and Secondary Education Act (ESEA).

MOE Waiver?

- Neither OSSE nor the U.S. Department of Education have the authority to waive the IDEA, Part B MOE requirement for LEAs.

MOE Reporting Tool

Review of the *IDEA MOE Spreadsheet*

Next Steps

- Read the guidance
- Read the “Instructions” tab in the *IDEA MOE Spreadsheet*
- Complete the *IDEA MOE Spreadsheet* as required in the instructions
- Save the file with the following naming convention:
[YOUR.LEA.NAME]_IDEA_MOE_*Spreadsheet*.MM.DD.YY (date of submission)
- Have the LEA’s authorized official sign each of the seven worksheets in the *IDEA MOE Spreadsheet* that require a signature
- Scan these seven worksheets and save them with the following naming convention:
[YOUR.LEA.NAME]_Signed_IDEA_MOE_*Spreadsheet*.MM.DD.YY (date of submission)

Important Dates

- Submit a soft copy (excel version) and a signed scanned PDF version of the completed *IDEA MOE Spreadsheet* to OSSE.DSE-PartBFinance@dc.gov by **Friday, July 13, 2012**.
- LEAs will have to report to OSSE on FY2012 “Special Education Payments” spending and FY2012 MOE compliance in November 2012

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Guidance and *IDEA MOE Spreadsheet* may be found at: <http://osse.dc.gov/page/funding-public-schools-and-public-charter-schools-amendment-act-2011>

QUESTIONS?