

Allowable Uses of Special Education Funds

Charter Directors Meeting – December 2011

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Funding Sources

- General education funds
 - Federal, state, local
- State special education funds
 - Add-On
 - Self-Contained
 - Extended School Year
 - Preschool
 - State Programs
- Federal special education funds
 - School Age (3 – 21)
 - Preschool (3 – 5)

Each of these funding sources may be used to provide special education and related services. There are no restrictions on using general education funds to support special education programs.

Restricted Funds

IDEA funds may only be used to provide special education and related services to qualifying students.

State special education funds may only be used to provide special education and related services to qualifying students.

The Utah State Board of Education – Special Education Rules include details about the restrictions on state special education funds. The rules are available online at <http://www.schools.utah.gov/sars/DOCS/law/finalrules.aspx>. See page 201 for the listing of allowable uses of state special education funds.

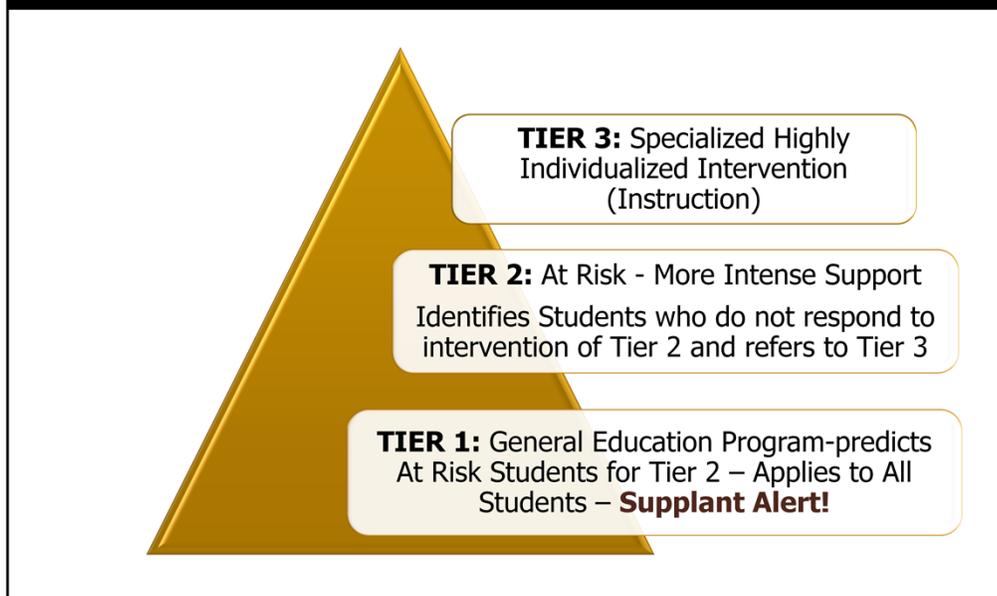
IDEA school age (Section 611) funds may be used to provide services for qualifying students age 3-21.

IDEA preschool (Section 619) funds may only be used to provide services for qualifying students age 3-5. For Utah charters, this means that the IDEA preschool funds you receive are limited to use with kindergarten students with disabilities. Your documentation must demonstrate this use. Some charters do have an affiliated preschool, but these preschools are not part of the charter. If you have a student in your preschool who you suspect may have a disability, you should refer parents to the district where they live.

One Exception

- Up to 15% of IDEA funds may be used to provide Coordinate Early Intervening Services (CEIS) to students who are at risk but do not qualify
 - Requires an approved plan
 - Additional monitoring
 - Additional reporting
- No exception for state special education funds

Nonsupplanting



IDEA funds may not be used to supplant state and local funds. In order to meet the nonsupplanting requirement, the LEA must meet the Maintenance of Effort (MOE) and Excess Costs requirements. In addition, each specific expenditure must be evaluated for supplanting.

One method of evaluating whether your purchase is supplanting state and local funds is to consider the 3 Tier model of instruction.

Tier 1: All students require have access to Tier 1 instruction. This instruction is paid for with general education funds. Any expenditures that are made for the general student body may not be paid with state special education funds or with IDEA funds. You may not charge a prorated amount to special education based on the number or portion of students with disabilities.

Tier 2: Some students need additional support in order to access the curriculum. The supports that can be provided are widely varied, and include small group instruction, additional time in specific content areas, additional monitoring of progress, support from a paraprofessional, etc. Funding for these Tier 2 supports may come from state and local sources, or from some federal sources, such as Title I, or CEIS under IDEA. Please see each specific program to decide if the services you provide meet the requirements of the program. You may not use state special education funds to provide these services. You may not use IDEA funds unless you have an approved CEIS plan.

Tier 3: A few students require intensive and individualized instruction in order to access the curriculum. For these students, instruction is specially designed to meet individual needs. Funding for Tier 3 interventions may come from state and local sources, or from some federal sources. For students who qualify, these interventions may be paid for with IDEA funds and with state special education funds. Some Title I and Title III services may also qualify as Tier 3 interventions. Please see each specific program to decide if the services you provide meet the requirements of the program.

Students with disabilities may require accommodations, specialized instruction, or related services within the general education setting. Services described on the IEP that are embedded in the general education classroom to enable the student to access Tier 1 or Tier 2 instruction may be paid for with IDEA funds. The key to making a decision about nonsupplanting for IDEA is about the individualization of the service. If the service or item is being provided for all students, it should be paid for with general education funds for all students. If the service or item is being provided for individual students (including in groups), it may be purchased with restricted funds.

Allowable Costs

- Within the scope of the grant
- Necessary and reasonable
- Consistent with LEA procedure & policy
- Generally Accepted Accounting Principles
- Not used for matching in any federal program
- Adequately documented
- Within the grant availability period

Allowability is determined by IDEA, with basic principles described in OMB Circular A-122. See the red EDGAR-PLUS book, page 322

More information about allowable costs under IDEA is available at <http://www.schools.utah.gov/sars/DOCS/arra/acideaentrecgrants.aspx>

Adequate Documentation

- Time and Effort Certification
- Program accounting by cost objective
- Inventory
- Procurement records

Thorough documentation is required in order to prove allowability. Because of the short time available for this meeting, we will focus on Time and Effort certification, which is a hot issue for LEAs all over the state.

Program accounting by cost objective. Please note that your financial records must have enough detail that you can document each expenditure for state special education, IDEA school age, IDEA preschool, and IDEA CEIS (if you use your funds this way).

Time and Effort Certification

- Personnel Activity Report
 - All employees paid in full or part by IDEA funds
 - After-the-fact documentation
 - Not based on budgets or estimated time distribution
 - Account for total activity of each employee
 - Signed by employee or immediate supervisor (must have first hand knowledge)
 - Completed monthly

Utah charter schools are independent LEAs, and are nonprofit organizations. The requirements for time and effort certification are described in OMB Circular A-122 (See pg. 334 of the red EDGAR-PLUS book for details).