

North Dakota State Training:

IDEA Federal Requirements for LEA's

Local Maintenance of Effort (MOE)

Coordinated Early Intervening Services (CEIS)

Excess Cost

OMB Uniform Guidance

Presenter Wayne Ball, Center for IDEA Fiscal Reporting (CIFR)

Purpose

To orient LEA staff to the:

- Requirements for LEA MOE and CEIS, Excess Cost
- Principles of new Uniform Guidance requirements.

Acronyms

AMI – ARRA Monitoring Inventory

ARRA – American Recovery and Reinvestment Act

CEIS – Coordinated Early Intervening Services

CFR – Code of Federal Regulations

CrEAG – Critical Elements Analysis Guide

EMAPS – EDFacts Metadata and Process System

ESA – Education Service Agency

ESEA – Elementary and Secondary Education Act

FY – Fiscal Year

FFY – Federal Fiscal Year (e.g., FFY 2015: July 1, 2015 to June 30, 2016)

GAO – Government Accountability Office

Acronyms (cont.)

IDEA – Individuals with Disabilities Education Act

LEA – Local Education Agency

MFS – Maintenance of Financial Support

MOE – Maintenance of Effort

NCES – National Center for Education Statistics

OIG – Office of Inspector General

OSEP – Office of Special Education Programs

OSERS – Office of Special Education & Rehabilitative Services

SEA – State Education Agency

SY – School Year

USC – United States Code

Maintenance of Effort (MOE)

- Why MOE?
 - To ensure that LEAs do not supplant state/local funding for the education of students with disabilities with federal funds.
- How is it different from maintenance of state financial support (MFS)?
 - MFS compares the amount of state funding made available from year to year.
 - MOE compares the amount of funds (local or state and local) budgeted and expended by the LEA from year to year.

Maintenance of Effort (cont.)

- Described in 34 CFR §300.203 (April 28, 2015)
- Part B funds are not used to reduce the LEA level of local expenditures for the education of children w/ disabilities below the level of those expenditures for the preceding fiscal year
- No “particular cost” test
- Eligibility test (i.e., what is budgeted) is used to establish LEA eligibility for Part B funds
- Expenditure test (i.e., what is spent) is used to determine compliance with MOE requirements

Examples

- Eligibility Standard – Budget
 - LEA expended \$900,000 in FY 2013 and budgets \$1,000,000 in FY 2015; therefore, the LEA meets the IDEA MOE eligibility requirement for a FY 2015 grant award
- Compliance Standard – Expenditures
 - LEA expended \$900,000 in FY 2013 and expended \$950,000 in FY 2014; therefore, the LEA complied with the MOE requirement from FY 2013 to FY 2014

Subsequent Years Rule

- **300.203(c) Subsequent years.** (1) If, in the fiscal year beginning on July 1, 2013 or July 1, 2014, an LEA fails to meet the requirements of §300.203 in effect at that time, the level of expenditures required of the LEA for the fiscal year subsequent to the year of the failure is the amount that would have been required in the absence of that failure, not the LEA's reduced level of expenditures.
- This codifies OSEP's Letter to Boundy (4/4/12)



Subsequent Years Rule

Appendix E – Table 4

Fiscal Year	Actual Level of Effort	Required Level of Effort	Met MOE?
2012-2013	\$100	\$100	YES
2013-2014			
2014-2015			
2015-2016			
2016-2017			

Subsequent Years Rule

Appendix E – Table 4

Fiscal Year	Actual Level of Effort	Required Level of Effort	Met MOE?
2012-2013	\$100	\$100	YES
2013-2014		\$100	
2014-2015			
2015-2016			
2016-2017			

Subsequent Years Rule

Appendix E – Table 4

Fiscal Year	Actual Level of Effort	Required Level of Effort	Met MOE?
2012-2013	\$100	\$100	YES
2013-2014	\$90	\$100	NO
2014-2015			
2015-2016			
2016-2017			

Subsequent Years Rule

Appendix E – Table 4

Fiscal Year	Actual Level of Effort	Required Level of Effort	Met MOE?
2012-2013	\$100	\$100	YES
2013-2014	\$90	\$100	NO
2014-2015		\$100	
2015-2016			
2016-2017			

Subsequent Years Rule

Appendix E – Table 4

Fiscal Year	Actual Level of Effort	Required Level of Effort	Met MOE?
2012-2013	\$100	\$100	YES
2013-2014	\$90	\$100	NO
2014-2015	\$90	\$100	NO
2015-2016			
2016-2017			

Subsequent Years Rule

Appendix E – Table 4

Fiscal Year	Actual Level of Effort	Required Level of Effort	Met MOE?
2012-2013	\$100	\$100	YES
2013-2014	\$90	\$100	NO
2014-2015	\$90	\$100	NO
2015-2016		\$100	
2016-2017			

Subsequent Years Rule

Appendix E – Table 4

Fiscal Year	Actual Level of Effort	Required Level of Effort	Met MOE?
2012-2013	\$100	\$100	YES
2013-2014	\$90	\$100	NO
2014-2015	\$90	\$100	NO
2015-2016	\$110	\$100	YES
2016-2017			

Subsequent Years Rule

Appendix E – Table 4

Fiscal Year	Actual Level of Effort	Required Level of Effort	Met MOE?
2012-2013	\$100	\$100	YES
2013-2014	\$90	\$100	NO
2014-2015	\$90	\$100	NO
2015-2016	\$110	\$100	YES
2016-2017		\$110	

Maintenance of Effort (cont.)

Four Tests: (LEA can choose which of four methods to use, but must provide auditable data to support which one they choose to meet MOE)

- Total local funds
- Total state and local funds
- Per capita local funds
- Per capita state and local funds

Appendix E – Table 5

Fiscal Year	Local only	State and local	Local only per capita	State and local per capita	Child count
2016	\$500	\$950	\$50	\$95	10
2017					
2018					

Appendix E – Table 5

Fiscal Year	Local only	State and local	Local only per capita	State and local per capita	Child count
2016	\$500	\$950	\$50	\$95	10
2017	\$400 	\$950 	\$40 	\$95 	10
2018					

Appendix E – Table 5

Fiscal Year	Local only	State and local	Local only per capita	State and local per capita	Child count
2016	\$500	\$950	\$50	\$95	10
2017	\$400 	\$950 	\$40 	\$95 	10
2018	\$500 	\$900 	\$50 	\$90 	10

Exception to MOE

As described in 34 CFR §300.204, an LEA may reduce MOE for any of the following:

- a) The voluntary departure, by retirement or otherwise, or departure for just cause, of special education or related services personnel.
- b) A decrease in the enrollment of children with disabilities.
- c) The termination of the obligation of the agency, consistent with this part, to provide a program of special education to a particular child with a disability that is an exceptionally costly program, as determined by the SEA, because the child—
 - 1) Has left the jurisdiction of the agency;
 - 2) Has reached the age at which the obligation of the agency to provide FAPE to the child has terminated;
or
 - 3) No longer needs the program of special education.

Exception to MOE (cont.)

- d) The termination of costly expenditures for long-term purchases, such as the acquisition of equipment or the construction of school facilities.
- e) The assumption of cost by the high cost fund operated by the SEA under §300.704(c).

Voluntary Departure Exception (a): Example

- A veteran special education teacher retires and is replaced by a less experienced special education teacher.
- The LEA expended \$150,000 on the veteran teacher in 2014-15, and \$90,000 on the new hire in 2015-16.
- The LEA can reduce its MOE by \$60,000 (\$150,000 - \$90,000) in 2015-16.

Assumption of Cost Exception (e): Example

Assumption of cost by a high cost fund operated by the SEA under 34 CFR §300.704(c):

State APPE	\$ 5,000
3 x APPE	\$ 15,000
Cost per year for child	\$ 25,000
25,000 – 15,000 = High Cost Fund	\$ 10,000
Amount LEA can reduce MOE	\$ 10,000

APPE =Average Per Pupil Expenditure

Adjustment to MOE in Certain Fiscal Years

Described in 34 CFR §300.205

For any Fiscal Year that an LEA receives an increase in Part B Section **611 funds** from the prior Fiscal Year, that LEA may reduce MOE by up to 50% of the increase, **if** the following conditions are met:

Conditions for Using Adjustment

- LEA must use the freed-up state and local funds to carry out ESEA activities during the year in which the reduction takes place
- LEA must receive a determination of “meets requirements” from the SEA for the year of the reduction
- LEA must not have had action taken against it by the SEA under IDEA section 616
- LEA must not have had the responsibility for providing FAPE taken away by the SEA
- LEA must not be determined to have significant disproportionality for the year of the reduction



Adjustment Example

In 2014, LEA received a section 611 allocation of \$800,000

In 2015, LEA received a section 611 allocation of \$900,000

$$\$900,000 - \$800,000 = \$100,000$$

$$\$100,000 \times 50\% = \mathbf{\$ 50,000}$$

The LEA can reduce its MOE by **\$50,000** in 2015 if all other conditions are met in that year.

Appendix E – Table 6

Fiscal Year	Original Required Level of Effort	Exceptions & Adjustments	Required Level of Effort	Actual Level of Effort
2016	\$500	--	\$500	\$500
2017				
2018				
2019				

Appendix E – Table 6

Fiscal Year	Original Required Level of Effort	Exceptions & Adjustments	Required Level of Effort	Actual Level of Effort
2016	\$500	--	\$500	\$500
2017	\$500	--	\$500	\$400 
2018				
2019				

Appendix E – Table 6

Fiscal Year	Original Required Level of Effort	Exceptions & Adjustments	Required Level of Effort	Actual Level of Effort
2016	\$500	--	\$500	\$500
2017	\$500	--	\$500	\$400 
2018	\$500			
2019				

Appendix E – Table 6

Fiscal Year	Original Required Level of Effort	Exceptions & Adjustments	Required Level of Effort	Actual Level of Effort
2016	\$500	--	\$500	\$500
2017	\$500	--	\$500	\$400 
2018	\$500	\$50		
2019				

Appendix E – Table 6

Fiscal Year	Original Required Level of Effort	Exceptions & Adjustments	Required Level of Effort	Actual Level of Effort
2016	\$500	--	\$500	\$500
2017	\$500	--	\$500	\$400 
2018	\$500	\$50	\$450	
2019				

Appendix E – Table 6

Fiscal Year	Original Required Level of Effort	Exceptions & Adjustments	Required Level of Effort	Actual Level of Effort
2016	\$500	--	\$500	\$500
2017	\$500	--	\$500	\$400 
2018	\$500	\$50	\$450	\$450 
2019				

Appendix E – Table 6

Fiscal Year	Original Required Level of Effort	Exceptions & Adjustments	Required Level of Effort	Actual Level of Effort
2016	\$500	--	\$500	\$500
2017	\$500	--	\$500	\$400 
2018	\$500	\$50	\$450	\$450 
2019	\$450			

Appendix E – Table 6

Fiscal Year	Original Required Level of Effort	Exceptions & Adjustments	Required Level of Effort	Actual Level of Effort
2016	\$500	--	\$500	\$500
2017	\$500	--	\$500	\$400 
2018	\$500	\$50	\$450	\$450 
2019	\$450	\$10 + \$10		

Appendix E – Table 6

Fiscal Year	Original Required Level of Effort	Exceptions & Adjustments	Required Level of Effort	Actual Level of Effort
2016	\$500	--	\$500	\$500
2017	\$500	--	\$500	\$400 
2018	\$500	\$50	\$450	\$450 
2019	\$450	\$10 + \$10	\$430	

Appendix E – Table 6

Fiscal Year	Original Required Level of Effort	Exceptions & Adjustments	Required Level of Effort	Actual Level of Effort
2016	\$500	--	\$500	\$500
2017	\$500	--	\$500	\$400 
2018	\$500	\$50	\$450	\$450 
2019	\$450	\$10 + \$10	\$430	\$405 

Appendix E – Table 6

Per Pupil Calculations

Fiscal Year	Child Count	Original Required Level of Effort	Exceptions & Adjust.	Required Level of Effort	Actual Level of Effort
2016	10	\$50	--	\$50	\$50
2017					
2018					
2019					

Appendix E – Table 6

Per Pupil Calculations

Fiscal Year	Child Count	Original Required Level of Effort	Exceptions & Adjust.	Required Level of Effort	Actual Level of Effort
2016	10	\$50	--	\$50	\$50
2017	10	\$50	--		
2018					
2019					

Appendix E – Table 6

Per Pupil Calculations

Fiscal Year	Child Count	Original Required Level of Effort	Exceptions & Adjust.	Required Level of Effort	Actual Level of Effort
2016	10	\$50	--	\$50	\$50
2017	10	\$50	--	\$50	
2018					
2019					

Appendix E – Table 6

Per Pupil Calculations

Fiscal Year	Child Count	Original Required Level of Effort	Exceptions & Adjust.	Required Level of Effort	Actual Level of Effort
2016	10	\$50	--	\$50	\$50
2017	10	\$50	--	\$50	\$40 
2018					
2019					

Appendix E – Table 6

Per Pupil Calculations

Fiscal Year	Child Count	Original Required Level of Effort	Exceptions & Adjust.	Required Level of Effort	Actual Level of Effort
2016	10	\$50	--	\$50	\$50
2017	10	\$50	--	\$50	\$40 
2018	10	\$50			
2019					

Appendix E – Table 6

Per Pupil Calculations

Fiscal Year	Child Count	Original Required Level of Effort	Exceptions & Adjust.	Required Level of Effort	Actual Level of Effort
2016	10	\$50	--	\$50	\$50
2017	10	\$50	--	\$50	\$40 
2018	10	\$50	\$50/10	\$45	
2019					

Appendix E – Table 6

Per Pupil Calculations

Fiscal Year	Child Count	Original Required Level of Effort	Exceptions & Adjust.	Required Level of Effort	Actual Level of Effort
2016	10	\$50	--	\$50	\$50
2017	10	\$50	--	\$50	\$40 
2018	10	\$50	\$50/10	\$45	\$45 
2019					

Appendix E – Table 6

Per Pupil Calculations

Fiscal Year	Child Count	Original Required Level of Effort	Exceptions & Adjust.	Required Level of Effort	Actual Level of Effort
2016	10	\$50	--	\$50	\$50
2017	10	\$50	--	\$50	\$40 
2018	10	\$50	\$50/10	\$45	\$45 
2019	9	\$45			

Appendix E – Table 6

Per Pupil Calculations

Fiscal Year	Child Count	Original Required Level of Effort	Exceptions & Adjust.	Required Level of Effort	Actual Level of Effort
2016	10	\$50	--	\$50	\$50
2017	10	\$50	--	\$50	\$40 
2018	10	\$50	\$50/10	\$45	\$45 
2019	9	\$45	\$20/10		

Appendix E – Table 6

Per Pupil Calculations

Fiscal Year	Child Count	Original Required Level of Effort	Exceptions & Adjust.	Required Level of Effort	Actual Level of Effort
2016	10	\$50	--	\$50	\$50
2017	10	\$50	--	\$50	\$40 
2018	10	\$50	\$50/10	\$45	\$45 
2019	9	\$45	\$20/10	\$43	\$45 

Consequences of Not Meeting MOE

- The State must repay the federal government the amount of money by which the LEA failed to maintain effort. This payback must be made from non-federal funds or funds for which accountability to the federal government is not required.
- The State has the option to require the LEA to payback the State the amount of money that the LEA failed to maintain effort. If the LEA is required to payback the amount of shortfall to the State, it must use non-federal funds or funds for which accountability to the federal government is not required.

Eligibility Standard

...

Appendix E – Table 8

Fiscal Year	Local only	State and local	Local only per capita	State and local per capita	Child Count
2015	\$500	\$1,000	\$50	\$100	10
2016	\$450	\$1,000	\$45	\$100	10
2017	--	--	--	--	--
Required in 2018					

Appendix E – Table 8

Fiscal Year	Local only	State and local	Local only per capita	State and local per capita	Child Count
2015	\$500	\$1,000	\$50	\$100	10
2016	\$450	\$1,000	\$45	\$100	10
2017	--	--	--	--	--
Required in 2018	\$500				--

Appendix E – Table 8

Fiscal Year	Local only	State and local	Local only per capita	State and local per capita	Child Count
2015	\$500	\$1,000	\$50	\$100	10
2016	\$450	\$1,000	\$45	\$100	10
2017	--	--	--	--	--
Required in 2018	\$500	\$1,000			--

Appendix E – Table 8

Fiscal Year	Local only	State and local	Local only per capita	State and local per capita	Child Count
2015	\$500	\$1,000	\$50	\$100	10
2016	\$450	\$1,000	\$45	\$100	10
2017	--	--	--	--	--
Required in 2018	\$500	\$1,000	\$50		--

Appendix E – Table 8

Fiscal Year	Local only	State and local	Local only per capita	State and local per capita	Child Count
2015	\$500	\$1,000	\$50	\$100	10
2016	\$450	\$1,000	\$45	\$100	10
2017	--	--	--	--	--
Required in 2018	\$500	\$1,000	\$50	\$100	--

Appendix E – Table 9

	Local only	State and local	Local only per capita	State and local per capita	Child Count
Actual 2015	\$500	\$1,000	\$50	\$100	10
Exc. & Adj. taken in 2016	-\$50	-\$50	-\$5	-\$5	
Expected Exc. & Adj. for 2017	-\$25	-\$25	-\$2.50	-\$2.50	
Eligibility standard requirement in 2017	\$425	\$925	\$42.50	\$42.50	

Coordinated Early Intervening Services (CEIS)

- Why CEIS?
 - To allow—or, in instances of significant disproportionality, to require—LEAs to use IDEA funds for at-risk students in hopes of providing interventions and supports that will reduce the inappropriate referral and identification of students into special education.

Coordinated Early Intervening Services

- Described in 34 CFR §300.226
- LEA may use up to 15% of IDEA funds for CEIS
 - **Less any amount reduced pursuant to §300.205**
- To be used on students in K-12, with a particular emphasis on K-3
- Allowed activities:
 - **Professional development**
 - **Educational and behavioral evaluations, services, and supports**

- **LEA Reporting**
 - Annual
 - Number of children served
 - Number of children served during preceding two year period and who subsequently receive special education and related services
- **Coordination with ESEA**
 - Must supplement, not supplant

Disproportionality

As described in 34 CFR §300.646, the IDEA requires the annual collection and examination of State- and LEA-level data on all seven racial and ethnic groups in four areas:

- Identification of children as children with disabilities
- Identification of children as children with particular disabilities (6 high-incidence categories)
- Placement in particular educational settings
- Incidence, duration, and type of disciplinary actions

- Consequences of significant disproportionality
 - LEA must review and revise policies, procedures, and practices related to the area(s) of significant disproportionality
 - LEA must reserve maximum (15%) amount of IDEA Part B funds for CEIS
 - To serve children in the LEA, particularly—but not exclusively—children in those groups who were significantly overidentified
 - LEA must publicly report on revision of policies, procedures, and practices

Significant Disproportionality NPRM

(Notice of Proposed Rule Making)

- Published March 2, 2016
- Comments due May 16, 2016
- Report with tables showing number and percentage of LEAs that would be identified with significant disproportionality if suggested risk ratios from the NPRM were adopted – February, 2016



Significant Disproportionality NPRM

(cont)

- Key proposed changes
 - Establish a standard methodology States must use to determine significant disproportionality
 - Allow CEIS based on significant disproportionality for children from age three through grade 12
 - Allow CEIS for students both with and without disabilities



LEA MOE Reduction and Early Intervening Services

- Described in Appendix D to Part 300
- LEAs that seek to reduce their local MOE and use some of their Part B funds for EIS must do so with caution because these provisions are interconnected.
- The decisions that an LEA makes about the amount of funds it uses for one purpose affect the amount it may use for the other.
- The following are examples that illustrate how §300.205(d) and §300.226(a) affect one another.

Thinking Behind MOE Reduction and Amount of Funds to Withhold for CEIS

No matter how much is available for CEIS (up to 15%) or for MOE reduction, the total amount expended on CEIS and MOE reduction together cannot exceed the lesser of the total amount available for MOE reduction or for CEIS.



MOE/CEIS Interaction: Example

In this example, 15% of the LEA's total grant, which is the maximum amount the LEA may use for CEIS, is greater than the amount that may be used for local MOE reduction - 50% of the increase in the LEA's grant from the prior year's grant.

MOE/CEIS Interaction: Example (cont.)

MOE Calculation

Prior FFY 611 Funds	\$1,000,000
Current FFY 611 Funds	\$1,400,000
Increase in 611 Funds	\$ 400,000

LEA may reduce level of effort by up to 50% of increase from prior year to current year 611 funds.

$$\$400,000 \times 50\% = \$200,000$$

The maximum amount available for MOE reduction is \$200,000.



MOE/CEIS Interaction: Example (cont.)

CEIS Calculation

FFY 611 IDEA funds \$1,400,000

FFY 619 IDEA funds \$1,000,000

Combined 611 and 619 funds \$2,400,000

LEA may voluntarily set aside up to 15% of combined 611 and 619 funds

$$\$2,400,000 \times .15 = \$360,000$$

The maximum amount available for CEIS is \$360,000.

The maximum amount available for MOE reduction is \$200,000.

MOE/CEIS Interaction: Another Example

In this example, 15% of the LEA's total grant, which is the maximum amount the LEA may use for CEIS, is less than the amount that may be used for MOE reduction - 50% of the increase in the LEA's grant from the prior year's grant.

Another Example (cont.)

MOE Calculation

Prior FFY 611 Funds	\$1,000,000
Current FFY 611 Funds	\$1,900,000
Increase in 611 Funds	\$ 900,000

LEA may reduce level of effort by up to 50% of increase from prior year to current year 611 funds.

$$\$900,000 \times 50\% = \$450,000$$

The maximum amount available for MOE reduction is \$450,000.

Another Example (cont.)

CEIS Calculation

FFY 611 IDEA funds \$1,400,000

FFY 619 IDEA funds \$ 500,000

Combined 611 and 619 funds \$1,900,000

LEA may voluntarily set aside up to 15% of combined 611 and 619 funds

$$\$1,900,000 \times .15 = \$285,000$$

The maximum amount available for CEIS is \$285,000.

The maximum amount available for MOE reduction is \$450,000.

Summary of MOE/CEIS Interaction

- The amount of funds expended by an LEA for CEIS must count toward the maximum amount of expenditures that the LEA chooses to reduce under the MOE reduction option.
- An eligible LEA could take the maximum MOE reduction or use the maximum amount available for CEIS.
- If the LEA wanted to do some MOE reduction and spend some for CEIS, though, the restrictions in §300.205(d) and §300.226(a) apply.

Summary continued

- As a result, no matter how much is available for CEIS or MOE reduction, the total amount spent on both of them in combination cannot exceed the lesser of the total amount available for MOE reduction or for CEIS.
- Of course, an LEA that is not required to use funds for CEIS could use some of the local funds that are “freed up” because it can reduce local MOE for activities for at-risk children—CEIS-like services—since those would be permissible under the ESEA.



Excess Cost

What is excess cost?

- **§300.16:** “Excess costs means those costs that are in excess of the average annual
- per-student expenditure in an LEA [local educational agency] during the preceding
- school year for an elementary school or secondary school student, as may be
- appropriate, and that must be computed after deducting—
- (a) Amounts received—
- (1) Under Part B of the Act;
- (2) Under Part A of title I of the ESEA; and
- (3) Under Parts A and B of title III of the ESEA and;
- (b) Any state or local funds expended for programs that would qualify for
- assistance under any of the parts described in paragraph (a) of this section, but
- excluding any amounts for capital outlay or debt service.”

Must an LEA calculate excess cost or can a state calculate excess cost for the LEA?

- If an LEA provides all the financial data required in the calculation of the average
- annual per-student expenditure pursuant to 34 CFR §§300.16, 300.202(b) and
- Appendix A to the IDEA regulations, to the SEA, it would be possible for the SEA to
- calculate excess cost for the particular LEA. As part of its general supervisory
- responsibilities, the SEA must ensure that its LEAs are meeting the excess cost
- requirement. Whether the state requires the LEAs to do the calculation, or,
- ARRA/Fiscal Priority Team, December 21, 2011 Page 2 of 5
- provided that it has the information necessary to do the calculation itself, the state
- does the calculation, is up to the state.

Must a state have a definition for elementary and secondary education for purpose of calculating excess cost?

- Under 34 CFR §300.13, “elementary school” means a nonprofit institutional day or residential school, including a public elementary charter school, that provides elementary education, ***as determined under state law***. Under 34 CFR §300.36,
- “secondary school” means a nonprofit institutional day or residential school, including a public secondary charter school that provides secondary education, ***as determined under state law***, except that it does not include any education beyond grade 12. A state may adopt formal definitions of elementary and secondary education. However, if a state does not have state definitions of elementary and secondary education, it is possible that the state permits LEAs to use their own definitions. In either case, since the calculations for excess cost must be conducted separately for elementary and secondary education, the SEA will need to provide direction for LEAs to distinguish costs that are to be attributed to elementary education and those that are to be attributed to secondary education.

Must an SEA/LEA calculate two different average per-pupil expenditures(APPEs): one for elementary education and one for secondary education?

- Yes. The SEA/LEA must calculate an aggregated APPE for elementary education and
- an aggregated APPE for secondary education.
- Appendix A to Part 300 – Excess Costs Calculations: “Section 602(8) of the Act and
- §300.16 require the LEA to compute the minimum average amount separately for
- children with disabilities in its elementary schools and for children with disabilities
- in its secondary schools. LEAs may not compute the minimum average amount it
- must spend on the education of children with disabilities based on a combination of
- the enrollments in its elementary schools and secondary schools.”

Can the average per-pupil expenditure (APPE) be the same for an elementary school student and a secondary school student in an LEA?

- It is possible but unlikely that the APPE for an elementary school student would be
- the same as that of a secondary school student, as the calculations of APPE must be
- done separately for elementary education and secondary education, and
- expenditures for secondary education are not likely to be the same as those for
- elementary education.

Must an LEA expend the aggregate average per-pupil expenditure (APPE) before they expend any IDEA funds?

- An LEA must use IDEA Part B funds only for the excess costs of providing special
- education and related services to children with disabilities. 34 CFR §300.202(a)(2).
- Excess costs are those costs that are in excess of the average annual per pupil
- expenditures in the LEA for an elementary school or secondary school student, as
- ARRA/Fiscal Priority Team, December 21, 2011 Page 4 of 5
- appropriate. The average annual per pupil expenditure must be computed as
- described in 34 CFR §300.16 annually. One way to meet the excess cost
- requirement is described in 34 CFR §300.202(b)(2)(i), which says that:
- “[a

**Must an LEA expend the aggregate average per-pupil expenditure
(APPE)
before they expend any IDEA funds?**

- “[a]n LEA meets the excess cost requirement if it has spent at least a minimum
- average amount for the education of its children with disabilities before funds
- under Part B of the Act are used.”

OMB Uniform Guidance

Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

The Goals and Purpose of the OMB Uniform Guidance

- ❖ Streamlines guidance for Federal financial assistance to ease administrative burden.
- ❖ Strengthens oversight over Federal funds to reduce risks of waste, fraud, and abuse.
- ❖ Increases the efficiency and effectiveness of Federal financial assistance to ensure best use of Federal funds.

Crosswalk from the OMB Circulars to the Uniform Guidance

Grants made <u>prior</u> <u>to 12/26/2014</u>	Grants made <u>on or after</u> <u>12/26/2014</u>
Circulars A-89, A-102, A-110	Uniform Guidance Subparts B, C and D
Circulars A-21, A-87, A-122	Uniform Guidance Subpart E
Circulars A-133, A-50	Uniform Guidance Subpart F
EDGAR Parts 75 to 99	EDGAR Parts 75-79 and 81-99
EDGAR Parts 74 and 80	Become part of the Uniform Guidance

Authorities to consider when using the OMB Uniform Guidance

“This guidance does not change or modify any existing statute or guidance otherwise based on any existing statute.”

Subpart D: Post-Award Requirements

2 CFR 200.331 – Evaluating Subrecipient Risk

Subrecipient Monitoring/Requirements for Pass-Through Entities

- ❖ Must evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and sub-award terms and conditions.
- ❖ May conduct the risk assessments before or after sub-awards are made.
- ❖ Use risk assessment results to determine appropriate subrecipient monitoring activities.

Subpart D: Post-Award Requirements

2 CFR 200.331 – Consideration of Risk Factors

The State's considerations in assessing risk may include:

- ❖ Prior experience with IDEA subawards.
- ❖ Results of previous audits – including whether the subrecipient receives a Single Audit.
- ❖ New personnel or new and substantially changed systems.
- ❖ Extent and results of Federal agency monitoring.

Subpart D: Post-Award Requirements

2 CFR 200.331 – Subrecipient Monitoring Requirements

The State's monitoring must include:

- ❖ Reviewing financial and programmatic reports that the State requires to meet its own award terms/conditions.
- ❖ Following up and ensuring timely and appropriate corrective action on deficiencies identified through audits, on-site reviews, and other means.
- ❖ Issuing management decisions for audit findings pertaining to the subrecipient's Federal award.

Subpart D: Post-Award Requirements

2 CFR 200.338 – Remedies for Noncompliance

Remedies for noncompliance include:

- ❖ Imposing Special Conditions
- ❖ **Temporarily** withholding cash payments pending correction of the deficiency or more severe enforcement action
- ❖ Disallowing all or part of the cost of the activity/action not in compliance
- ❖ Suspending or terminating the Federal award
- ❖ Recommending the Department initiate suspension or debarment proceedings
- ❖ Withholding further Federal awards for the program or project
- ❖ **Taking other remedies that may be legally available**

Uniform Guidance Resources

- The Department's website:
<http://www2.ed.gov/policy/fund/guid/uniform-guidance/index.html>
- The Council on Financial Assistance Reform (COFAR) website: <https://cfo.gov/cofar/>
- GAO Standards for Internal Control in the Federal Government
<http://www.gao.gov/products/GAO-14-704G>

Uniform Guidance Resources

- Remaining OMB Circulars can be found at:
<https://www.whitehouse.gov/omb/circulars/default>
- Remaining sections of EDGAR can be found at:
<http://www2.ed.gov/policy/fund/reg/edgarReg/edgar.html>



Questions and Discussion