

AOE Response SpEd Finance Questions

1/30/2018

Summary

AOE was asked to respond to several questions around the proposed census funding model for Special Education.

What are the implications for AOE Staffing and Costs?

- Fiscal Staff
 - Current review and reimbursement process is time consuming
 - Service Plans, SEERs, Monitoring
 - Simplifying the scope to only extraordinary reimbursement will increase capacity
 - Improved fiscal monitoring if shifted to the 30% burden of proof

What are the implications for AOE Staffing and Costs?

- Program Staff
 - Depends on the Extraordinary cost program
 - ONLY the IEP team can determine the appropriate plan for a student
 - AOE would provide technical assistance in the development of IEPs for Extraordinary Cost Students
 - If there is more review than just Extraordinary IEPs the Agency would need additional staff to support process change

What is the risk that the changes will result in a reduction in federal funding?

- There is one
 - LEA Maintenance of Effort (MOE) – spending at least a certain level of non-federal funds for Special Education
 - SEA Maintenance Fiscal Support (MFS) – ensure by which state sets aside sufficient funds for special education and related services (APPROPRIATION)
- Can apply for a waiver (annually)
- [CIFR Quick Guide](#)

What is the risk that the changes will result in a reduction in federal funding?

- If MOE/MFS is not met
 - If LEA MOE is not met, then the state repays the federal government the amount that should have been spent to meet MOE or the sub-grant for the year, whichever is lower
 - If SEA MFS is not met the IDEA grant is lowered by the amount that the state failed to meet the requirement (based on APPROPRIATION).

Will the new funding model reduce administrative overhead for AOE and SU's?

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ABSOLUTELY

Will the new funding model reduce administrative overhead for AOE and SU's?

Today

- Submit a budget for ALL costs associated with special education (§2964 & 2967)
- [Service Plan Requirements](#)

Future

- Submit a budget for ONLY extraordinary cost IEPs

Will the new funding model reduce administrative overhead for AOE and SU's?

Today

- Submit a Special Education Expenditure Report for ALL special education costs (§2968)
- [SEER Instructions](#) (23 pages)

Future

- Submit a reimbursement request for ONLY extraordinary cost IEPs

Will the new funding model reduce administrative overhead for AOE and SU's?

Today

- Monitored based on SEER report
- Have to demonstrate all costs are incurred in accordance with state rules

Future

- Have to prove at least 30% of Education Support Grant spent on Special Education

Will the new funding model reduce administrative overhead for AOE and SU's?

Today

- Allocate, Report, and Monitor IDEA B
- Review and Grant funds according to federal requirements
- Provide EEE grant

Future

- No Change

Is the extraordinary services reimbursement review team to be designated by AOE the right place to review extraordinary services reimbursement claims? Should it be with AOE or another Agency?

This question should be framed differently – there are actually two different reviews: fiscal and programmatic

Only AOE has the special education expertise to provide this type of technical assistance

Extraordinary reimbursement – fiscal review

- Two Fiscal reviews
 - Budgetary – review projected costs and make sure they make sense
 - Example- does the projected salary of the special education personnel seem reasonable? Does the hourly rate for speech therapy seems reasonable?
 - Reimbursement – review reimbursement request for fiscal accuracy and reasonableness
 - Example - Do the numbers add up? Does the request align with the submitted budget?

Extraordinary reimbursement – Programmatic review

- Programmatic Review
 - Only an IEP team can make decisions on student placements and services
 - AOE team would be notified of a potential situation in which services would result in Extraordinary Costs
 - AOE Team would discuss options to assist the IEP team in making its determination for placement or services

How does special education cost reimbursement work now when a student is placed:

- In a public school outside SU of residence:
 - LEAs can charge the costs of Special Education back to SU of residence. Can be through a tuition rate or on a reimbursement basis
- In an independent school
 - Schools are charged for special education services by independent school
 - Request reimbursement

Does special education cost reimbursement in the resident district work differently for school districts that tuition their students?

- No
 - If a district tuitions their students, and the district is billed for special education services, they can request reimbursement from AOE.

Are the proposed special education funding changes compatible with the DMG recommendations?

- Yes
 - Provides additional flexibility required to improve service delivery particularly to students who are not yet identified for special education services.