

## **IDEA Part B funds Use of Funds Guidance**

### **Principles:**

Subrecipients of federal the Individual with Disabilities Education Act (IDEA) Part B funds, in using such funds, are required to comply with current IDEA Part B statutory and regulatory requirements and applicable requirements in the General Education Provisions Act (GEPA) and the Education Department General Administrative Regulations (EDGAR). An LEA must use Part B funds only for the excess costs of providing special education and related services to children with disabilities except where IDEA specifically provides otherwise. These funds are to be used for the purpose of providing for the education and services of students with a disability, to strengthen education, drive reforms and improve results for students' ages 3 through 21.

Districts must be able to account for their IDEA Part B funds separately from other state and federal funds. Changes mandated pursuant to the IDEA require more detail in reporting costs associated with children with disabilities than in the past. The current Uniform School Accounting System (USAS) which school districts must follow in the administration of IDEA Part B funds went into effect in the Spring of 2013.

IDEA requires the reporting of costs to differentiate between elementary (kindergarten through grade 6) and secondary (grades 7-12) levels. Specific function codes are provided in the USAS manual to differentiate between areas of special education expenditures. To clarify the reporting of Part B funds where the expenditure(s) are not attributable to one cost area, these examples are given:

- Coding for disability – In either grades K-6 or 7-12, if there are children in the classroom with varied disability conditions, the teacher's salary code should reflect the disability condition of the majority of the children.
- Coding for grade level – If there are children with varied disability conditions in the classroom, and the classroom spans both the elementary and secondary categories above (for example, grades 6-8), the teacher's salary code should be pro-rated to reflect the grade level for the majority of the students in the class.

Districts may choose to use their IDEA Part B, both regular and Early Childhood Special Education (ECSE) resources, to focus on one or more of the following priorities:

Category	Allowable Expenditures	Unallowable Expenditures
Instruction	<p>Employment of Special Education Intervention Specialist (k-12 and preschool) and Early Intervention instruction and benefits to supplement state foundation unit funding.</p> <p>Cost associated with pay raise/increase in excess of local and or state funds currently being used to pay salaries and fringe benefits for special education or other eligible staff.</p> <p>Appropriate instructional supplies and materials designed to increase student achievement and outcomes while increasing access to and progress in the general curriculum, which can be an asset for both teaching and learning.</p> <p>Substitute personnel cost for district personnel who are participating in special education team meetings such as individualized education program (IEP) meetings or evaluation team report (ETR) meetings, professional development and/or collaborative planning related directly to the provision of special education and related services.</p> <p>Cost of evaluations for students suspected of having or identified with disabilities that require said evaluation.</p> <p>Cost of instructional materials and media (such as books, study guides, computer programs, maps, videos, CD and DVD) related to the instruction of children with disabilities.</p> <p>Payment of excess cost for preschool and school age children with disabilities when direct services are being provided by a district other than the district of residence.</p>	<p>Compensation to staff not employed or contracted as a Special Education Intervention Specialist or aide/ paraprofessional or Special Education administrative/ supervisory staff, unless the Part B funds are being used for Coordinated Early Intervening Services – see below.</p>
Promising Practices	<p>Costs associated with implementation of scientifically-based research practices, strategies, methods and/or programs designed that respond to a specific educational need identified by the district. Instructional materials, hardware and software, related professional development activities, computers and peripherals necessary to support implementation could be included.</p>	

Category	Allowable Expenditures	Unallowable Expenditures
Support Services	<p>Related service personnel salary and fringe benefits.</p> <p>Cost of salaries and fringe benefits in excess of state or local monies provided for special education teacher aide(s), related service provider(s) and teacher aide substitutes serving children with disabilities.</p>	<p>Cost of a physician, school nurse or other medical personnel serving the health needs of all children within the district.</p>
Early Intervening Services	<p>A Local Education Agency (LEA) may elect to use <b>up to 15 percent of its total IDEA Part B allocation to implement Coordinated Early Intervening Services (CEIS)</b> to provide early intervening services for those students not yet identified as needing special education or related services, but who may need additional academic and behavioral supports to meet grade-level indicators. More specifically, these services should be targeted to K-12 (with a focus on K-3) students.</p> <p>LEA activities may include:</p> <ul style="list-style-type: none"> <li>○ Professional development to enable teachers and school staff to deliver scientifically based academic instruction and behavioral interventions</li> <li>○ Scientifically based literacy instruction</li> <li>○ Instruction in the use of adaptive and instructional software</li> <li>○ Provision of educational and behavioral evaluations, services and supports</li> </ul> <p>Coordination of services aligned with the Elementary and Secondary Education Act (ESEA).</p> <p><i>* NOTE: Please see CEIS section in this document for fiscal caution.</i></p>	
Staff / Parent Visits	<p>Staff/parent visits to exemplary programs/or schools that have adopted effective scientifically-based programs/strategies.</p>	

Category	Allowable Expenditures	Unallowable Expenditures
Services to Children with Disabilities, Ages 3-5	<p>Cost attributable with securing state licensure for operating a preschool classroom.</p> <p>Costs for services that supplement and increase special education services provided to preschool children with disabilities, ages 3-5. Part B funds may be used to pay costs for children ages 3-21; however ECSE funds may be used only for children with disabilities ages 3-5.</p> <p>Costs for expanded the availability and range of inclusive placement options for preschoolers with disabilities by increasing the capacity of public and private preschool programs through activities such as professional development and technical assistance.</p>	
Governance / Administration	<p>Indirect cost rates within the rates approved by ODE Office of Federal and State Grants Management.</p> <p>Cost incurred for an impartial due process hearing.</p> <p>Cost of special education administrator, director or coordinator, including preschool; provided 1) activities are directly attributable to the delivery of special education and related services to children with disabilities and 2) person holds a supervisory or administrative certificate/license issued by ODE.</p> <p>Mileage for district personnel to travel to and from IEP/ETR meetings, conferences and related services.</p> <p>Costs incurred by the Treasurer’s Office and costs associated with the administration of Part B IDEA funds.</p>	<p>Flat percentage of the total budget for “administrative” costs without approval through Grants Management.</p> <p>Legal fees, costs and expenses paid to private legal counsel of either the district or the parents of a student with disabilities.</p>
Administrative Technology	<p>Cost for technology to assist in certain administrative tasks. IDEA 2004 provides specific language supporting the use of technology in managing the special education process. Useful technology should be a tool available to classroom teachers, paraprofessionals, related services providers and administrators to collect and use data to improve teaching and learning.</p>	

<b>Category</b>	<b>Allowable Expenditures</b>	<b>Unallowable Expenditures</b>
Professional Development	<p>High quality, scientifically research based district-wide PD activities designed and implemented in cooperation with regional providers that are designed to assist districts/buildings in implementing systems of support for addressing the academic (reading, math, writing, science) and behavioral needs of children with disabilities and children at-risk of being identified as disabled. HQPD activities focusing on the unique needs of students with autism.</p> <p>Note: For preschool education, expenditures may include staff attendance at the early childhood conference co-sponsored by ODE and OAEYC.</p>	District-wide PD not specifically directed at meeting the identified academic or developmental needs of students with a disability or for CEIS activities.
Family and Community Engagement	Activities designed to increase the meaningful involvement of families in the educational process by improving cooperation and communication between schools and the parents of children with disabilities (i.e. cost of employing a Parent Mentor, dissemination of information and resources).	
Safety	<p>Cost attributable to creating a safe learning environment to assure FAPE for special education students and for persons involved in a given educational setting.</p> <p>School – capital improvements to make building compliant with Americans with Disabilities Act (ADA).</p>	General expenditures that will generally benefit all students in a building/district.

Category	Allowable Expenditures	Unallowable Expenditures
Facilities	<p>Cost attributable for keeping the physical plant open for use, keeping the grounds and building in effective working condition and cleaning and maintenance which are clearly and directly related to the provision of services to children with disabilities.</p> <p>Cost of construction and or alterations of facility if said activities would improve the program. LEAs <b>must</b> obtain prior approval from ODE Office for Exceptional Children or Office of Early Learning and School Readiness through the completion of a <b><i>Request for Construction Approval</i></b>. Any construction or alteration of facilities must comply with ADA regulations or Uniform Federal Accessibility Standards. Additionally projects must use only American made iron, steel and manufactured goods.</p> <p>These links provide Construction Request Guidance and Approval Request form:</p> <p><a href="#">Construction Guidance</a></p> <p><a href="#">Request for Construction Approval form</a></p> <p>The purchase/instillation of security/surveillance systems is not a construction expenditure. Districts should budget the cost as capital outlay/safety and identify the item(s) as equipment. The district should show the item in the CCIP in both the planning tool and enter it as a comment in the History Log. – See Equipment below.</p>	General expenditures that will generally benefit all students in a building/district.
Transportation	<p>Purchase of a vehicle specifically for the transportation of a student(s) with a disability; cost of equipment to make a vehicle ADA compliant (e.g. wheelchair lift, handrails, seatbelts or other restraints). The district should budget the item(s) in the CCIP under capital outlay/transportation. The district should show the item in the CCIP in both the planning tool and enter it as a comment in the History Log.</p> <p>Transportation costs for students with a disability</p>	<p>Purchase/use of a regular or handicapped equipped vehicle to transport general education students.</p> <p>Mileage for out-of-state student field trips.</p>
Non-public	Cost related to providing products, tools and services to children with disabilities attending non-public schools (see section on parentally placed private school students).	

Category	Allowable Expenditures	Unallowable Expenditures
Equipment	Equipment necessary for the delivery of special education and related services to children with disabilities. Equipment is (a) machinery, utilities, and built-in equipment, and any necessary enclosures or structures to house the machinery, utilities, or equipment; and (b) all other items necessary for the functioning of a particular facility as a facility for the provision of educational services, including items such as instructional equipment and necessary furniture; printed, published and audio-visual instructional materials; telecommunications, sensory, and other technological aids and devices; Consumable items and items with a useable life of one year or less are not considered equipment. Such items must be tracked in district's inventory records. The purchase of such items should be identified by item description and cost in both the planning tool and as a comment in the History Log.	Mobile/Modular Units may not be purchased with Part B funds.
Instructional Supplies and Materials.	Appropriate instructional supplies and materials designed to increase achievement and outcomes of students with disabilities while increasing access to and progress in the general curriculum.	
Assistive Technology.	State-of-the-art assistive technology, alternative and augmentative communication devices and software to enhance access to the general curriculum. Training cost associated with assistive technology.	
Transition	Salary and benefits for personnel to assist students with disabilities transition from high school to post secondary opportunities (e.g. transition specialist, job coaches, work study personnel, etc.).	

**NOTE: The use of Part B funds must support the instruction or development of students with disabilities or students being served in an Early Intervening Program. Ancillary benefit to non-disabled students is allowable however, the service must be directed to and the majority of the benefit received by students with disabilities.**

**Parentally-Placed Private School Students**

The proportionate share calculation required under IDEA section 612 (a)(10)(A)(i)(1) is based on the district allocation of the Part-B funds. As part of consultation, the LEA, private school representatives and parents of parentally placed private school students must consider how the proportionate share of IDEA funds should be spent. LEA's should consider the above referenced allowable use of funds when consulting with their respective private schools.

## **Allowable Replacement of Local Funds**

Section 613 of IDEA 2004 is very specific with regard to IDEA Part B funds supplementing not supplanting (SNS) state and local special education funding and the district's maintenance of effort (MOE) requirement. However, it should be noted that IDEA 2004 provides for an allowable replacement of local funds.

IDEA 2004 requires each state to have in place a State Performance Plan (SPP) that evaluates its efforts to implement the requirements and purposes of Part B of IDEA and describes how the state will improve such implementation. Annually states are required to report LEAs performance against the 17 indicators established by the OSEP. In addition, the law requires that states must evaluate each LEA on their performance against a set of targets established in the SPP.

For those LEAs who received a "Meets Requirements" annual determination from ODE Office for Exceptional Children *may* use up to 50 percent of the special education Part B IDEA funds received in excess of the amount received for the prior year to replace local education funds (see the example provided in the box below) as long as the local funds are then used for activities authorized by ESEA. Districts choosing this option to replace state and local funds with the freed-up Part B funds are required to identify and report the expenditures of the freed up state and local funds through a separate job code. This will enable districts to document the use of Part B funds for replacement of prior year local expenditures for audit purposes.

### **Additional Provisions:**

- Under IDEA 616(f), if an SEA determines that an LEA is not meeting the requirements of Part B, including meeting targets in the state's performance plan, the SEA *must* prohibit that LEA from reducing its MOE under IDEA section 613(a)(2)(C) for any fiscal year;
- An LEA must receive a determination under Section 616 of "Meets Requirements" from the state in order to take advantage of this flexibility; and
- An LEA that is required to use 15 percent of its IDEA Part B allocation on Coordinated Early Intervening Services (CEIS) because the SEA identified the LEA as having significant disproportionality under 34 CFR 300.646 will not be able to reduce local MOE under IDEA.

## **Coordinated Early Intervening Services**

LEAs may use a portion of its allocation (up to 15 percent) received under IDEA Part B to provide early intervening services for those students not yet identified as needing special education or related services but who may need additional academic and behavioral supports to meet grade-level indicators.

- Specifically Section 613(f) (1)-(5) enables LEAs to use up to 15 percent of their IDEA allocation to provide early intervening services. These services should be targeted to grades K-12 (with a focus on K-3) students not yet identified as needing special education or related services but who need additional academic and behavioral supports to succeed in the general education environment.



- LEA activities may involve:
  - Professional development to enable teachers and school staff to deliver scientifically based academic instruction and behavioral interventions;
  - Scientifically based literacy instruction;
  - Instruction in the use of adaptive and instructional software;
  - Provision of educational and behavioral evaluations, services and supports; and
  - Coordination of services aligned with the Elementary and Secondary Education Act (ESEA).

**PLEASE NOTE: Funds used to provide early intervening services under section 613(f)(1)-(5) count towards the maximum amount of local expenditures that a district may reduce.**

**Combining the use of funds to reduce Maintenance of Effort and for Early Intervening Services**

LEAs that seek to reduce their local maintenance of effort in accordance with §300.205(d) and use some of their Part B funds for early intervening services under §300.226 must do so with caution because the local maintenance of effort reduction provision and the authority to use Part B funds for early intervening services are interconnected. The decisions that an LEA makes about the amount of funds that it uses for one purpose affect the amount that it may use for the other. Below are examples that illustrate how §300.205(d) and §300.226(a) affect one another.

**Example 1:** In this example, the amount that is 15 percent of the LEA's total grant (see §300.226(a)), which is the maximum amount that the LEA may use for EIS, is greater than the amount that may be used for local MOE reduction (50 percent of the increase in the LEA's grant from the prior year's grant) (see §300.205(a)).

Prior Year's Allocation:	\$900,000.
Current Year's Allocation:	\$1,000,000.
Increase:	\$100,000.
Maximum Available for MOE Reduction:	\$50,000.
Maximum Available for EIS:	\$150,000.

- If the LEA chooses to set aside \$150,000 for EIS, it may not reduce its MOE (MOE maximum \$50,000 less \$150,000 for EIS means \$0 can be used for MOE).
- If the LEA chooses to set aside \$100,000 for EIS, it may not reduce its MOE (MOE maximum \$50,000 less \$100,000 for EIS means \$0 can be used for MOE).
- If the LEA chooses to set aside \$50,000 for EIS, it may not reduce its MOE (MOE maximum \$50,000 less \$50,000 for EIS means \$0 can be used for MOE).
- If the LEA chooses to set aside \$30,000 for EIS, it may reduce its MOE by \$20,000 (MOE maximum \$50,000 less \$30,000 for EIS means \$20,000 can be used for MOE).
- If the LEA chooses to set aside \$0 for EIS, it may reduce its MOE by \$50,000 (MOE maximum \$50,000 less \$0 for EIS means \$50,000 can be used for MOE).

**Example 2:** In this example, the amount that is 15 percent of the LEA's total grant (see §300.226(a)), which is the maximum amount that the LEA may use for EIS, is less than the amount that may be used for MOE reduction (50 percent of the increase in the LEA's grant from the prior year's grant) (see §300.205(a)).

Prior Year's Allocation:	\$1,000,000.
Current Year's Allocation:	\$2,000,000.
Increase:	\$1,000,000.
Maximum Available for MOE Reduction:	\$500,000.
Maximum Available for EIS:	\$300,000.

- If the LEA chooses to use no funds for MOE, it may set aside \$300,000 for EIS (EIS maximum \$300,000 less \$0 means \$300,000 for EIS).
- If the LEA chooses to use \$100,000 for MOE, it may set aside \$200,000 for EIS (EIS maximum \$300,000 less \$100,000 means \$200,000 for EIS).
- If the LEA chooses to use \$150,000 for MOE, it may set aside \$150,000 for EIS (EIS maximum \$300,000 less \$150,000 means \$150,000 for EIS).
- If the LEA chooses to use \$300,000 for MOE, it may not set aside anything for EIS (EIS maximum \$300,000 less \$300,000 means \$0 for EIS).
- If the LEA chooses to use \$500,000 for MOE, it may not set aside anything for EIS (EIS maximum \$300,000 less \$500,000 means \$0 for EIS).