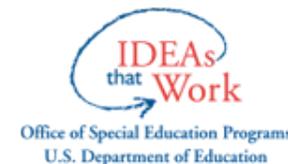




# Calculating IDEA Part B Subgrant Base Payment Adjustments: The Mechanics and CIFR Calculators

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# Session Overview



- Overview of the Allocation of Part B Subgrants to Local Educational Agencies (LEAs)
- Circumstances Requiring Base Payment Adjustments
- Two Methods for Base Payment Adjustments
- Interactive: Examples of Base Payment Adjustments
- CIFR's Base Payment Adjustment Calculators
- Interactive: Examples using Base Payment Adjustment Calculators

# Overview of the Allocation of Part B Subgrants to LEAs

# Federal Regulations: 34 CFR §300.705(a)

## Section 611 Subgrants to LEAs (for children ages 3–21)

Each State that receives a grant under section 611 of the Act for any fiscal year must distribute any funds the State does not reserve under §300.704 to LEAs (including public charter schools that operate as LEAs) in the State that have established their eligibility under section 613 of the Act for use in accordance with Part B of the Act. Effective with funds that become available on July 1, 2009, each State must distribute funds to eligible LEAs, including public charter schools that operate as LEAs, even if the LEA is not serving any children with disabilities.

# Federal Regulations: 34 CFR §300.815



## Section 619 Subgrants to LEAs (for children ages 3–5)

Each State that receives a grant under section 619 of the Act for any fiscal year must distribute all of the grant funds the State does not reserve under §300.812 to LEAs (including public charter schools that operate as LEAs) in the State that have established their eligibility under section 613 of the Act. Effective with funds that become available on July 1, 2009, each State must distribute funds to eligible LEAs that are responsible for providing education to children aged three through five years, including public charter schools that operate as LEAs, even if the LEA is not serving any preschool children with disabilities.

# Eligibility for IDEA Part B Subgrants



- Meet state's definition of an LEA.
- Responsible for providing a free appropriate public education (FAPE) to children with disabilities (CWD) under IDEA.
- Must submit application for IDEA funds to the state.
- Do not need to be serving CWD.
- For 619: Educating any child age 3 through 5, including 5-year-olds in kindergarten.

# Components of IDEA Part B Subgrants to LEAs



- **Base payments**
- **Remaining funds:**
  - 85 percent using each LEA's relative number of children enrolled in public and private elementary and secondary schools within the LEA's jurisdiction.
  - 15 percent using each LEA's relative number of children living in poverty, as determined by the state educational agency (SEA).

# Circumstances Requiring Base Payment Adjustments

# Base Payments



- For 611: The amount an LEA would have received if the SEA had distributed 75 percent of the state's federal fiscal year (FFY) 1999 section 611 grant, using the 1998 count of CWD ages 3 through 21 in the LEA.
- For 619: The amount an LEA would have received if the SEA had distributed 75 percent of the state's FFY 1997 section 619 grant, using the 1996 count of CWD ages 3 through 5 in the LEA.
- The individual LEA base payment amounts stay the same from year to year unless adjustments are required.
- The total statewide base payment amount never changes.

# Circumstances Requiring Base Payment Adjustments

- A new LEA, including a new charter school LEA, is created.
- Two or more LEAs combine into a new, single LEA.
- Two or more LEAs change geographic boundaries or administrative responsibility for providing services to children (including as a result of one or more of the LEAs closing).

# Circumstances Requiring Base Payment Adjustments (cont.)



- An LEA that had a base payment of zero in its first year of operation (because it did not serve CWD) now does serve CWD.
- A charter school LEA significantly expands its enrollment.

# Two Methods for Base Payment Adjustments

# Terminology



- **Affected LEA:** an LEA that is affected by one of the circumstances requiring a base payment adjustment.
- **Assuming LEA:** an Affected LEA that assumes responsibility from a Transferring LEA to provide FAPE to CWD.
- **Transferring LEA:** an Affected LEA that transfers responsibility to an Assuming LEA to provide FAPE to CWD.

# Two Methods for Base Payment Adjustments

- **Method A: Individual Adjustment**

- Adjusts each Affected LEA's base payment separately.
- Redistributes base payments according to the number of children moving from the Transferring LEA to the Assuming LEA.

- **Method B: Group Adjustment**

- Adjusts the base payments for all LEAs affected by a common circumstance as a group.
- Redistributes base payments across a group of Affected LEAs according to the current child counts in each LEA.

# Method A: Calculate Base Payment Per Child Amount for Each Transferring LEA



1. For each Transferring LEA, determine the total number of CWD for whom that LEA would have been responsible in the absence of the circumstance that required the base payment adjustment (current child count + the number of CWD for whom responsibility transferred).
2. Create a current base payment per child by dividing the Transferring LEA's most recent base payment by the number of CWD for whom that LEA would have been responsible in the absence of the circumstance (from Step 1).

# Method A: Use Base Payment Per Child Amount to Adjust

## For Each Transferring LEA:

- Multiply the number of CWD for whom responsibility transferred by the LEA's base payment per child (from Step 2 on prior slide).
- Subtract that amount from the Transferring LEA's base payment.

## For Each Assuming LEA:

- Multiply the number of CWD for whom responsibility is assumed by the LEA by each Transferring LEA's current base payment per child (from Step 2 on the prior slide).
- Add the result(s) to the Assuming LEA's base payment.

# Method B: Calculate a Base Payment Per Child Amount for all Affected LEAs



1. Sum the counts of CWD for whom the LEAs affected by a given circumstance are now responsible.
2. Sum the most recent base payments for the LEAs affected by a given circumstance to obtain an aggregate base payment amount.
3. Create a base payment per child by dividing the aggregate base payment amount (from Step 2) by the aggregate child count for those LEAs (from Step 1).

# Method B: Use Base Payment Per Child Amount to Adjust

Multiply the current child count in each LEA affected by a given circumstance by the base payment per child from Step 3 on the prior slide.

# Examples of Base Payment Adjustments

# Example 1: New Charter School LEA takes CWDs from one Existing LEA



- A new charter school LEA (LEA Steve) has opened in your state.
- 20 CWDs transferred from LEA Tom to charter school LEA Steve.
- LEA Tom's starting base payment is \$120,000, with a child count of 100.
- How much money should charter school LEA Steve receive in its base payment? By how much should LEA Tom's base payment be reduced?

# Example 2: Change in Geographic Boundaries

- There has been a change in geographic boundaries affecting two LEAs.
- 4 CWDs who were served by LEA Laura are now served by LEA Sanay.
- LEA Laura's starting base payment is \$14,000, with a child count of 10.
- LEA Sanay's starting base payment is \$2,000, with a child count of 6.
- By how much should LEA Laura's base payment be adjusted? By how much should LEA Sanay's base payment be adjusted?

# Using CIFR's Base Payment Adjustment Calculators



Example 3: Watch as we demonstrate CIFR's Base Payment Adjustment (BPA) Calculators.

Example 4: Follow along in the BPA Calculators.

Example 5 and onwards: Work on your own in the BPA Calculators, using CIFR's practice guide on making base payment adjustments and TA, as needed.

Note: The Calculators are currently in draft form and will not be made available except as a pilot in the context of CIFR TA at this time.

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