



IDEA Part B Subgrant Complexities and Compliance: Addressing Calculation Challenges

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Session Overview



- **Allocation of IDEA Part B Subgrants to Local Education Agencies (LEAs) – Background**
- **Who, What, When – Nitty Gritty Details**
- **Key Complexities and Common Problems with Compliance**
 - Specific Scenarios
 - CIFR and OSEP Responses
 - State Experiences and Solutions
- **Test Your Knowledge – Allocations Quiz Show**

Allocation of IDEA Part B Subgrants to LEAs – Background

IDEA Part B Grants to States



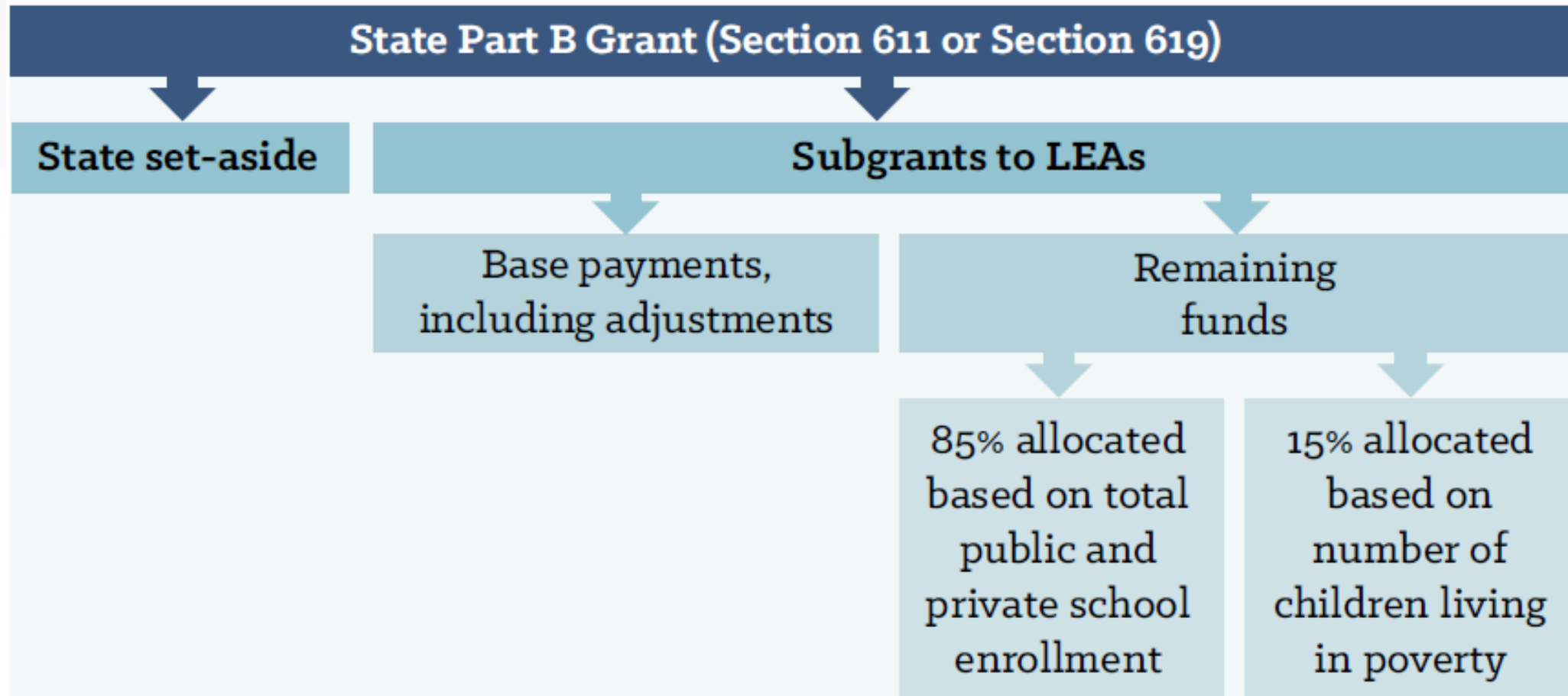
- Every eligible state, outlying area, and freely associated state receives an annual federal grant under IDEA, called a section 611 grant, to support special education and related services for children ages 3 through 21.
- All 50 states (as well as the District of Columbia and Puerto Rico) also receive section 619 grants, which are IDEA funds to support the education of children ages 3 through 5.

Set-Aside for State-Level Activities



- Each state educational agency (SEA):
 - Must reserve a portion of its section 611 grant for specific state-level activities.
 - May set aside additional section 611 and section 619 funds for administrative and other state-level activities
(see 34 CFR §§300.704 and 300.812– 300.814).
- After reserving grant funds for state-level activities, SEAs must use a specific formula to allocate the remaining funds as subgrants to LEAs, including charter schools that are LEAs.

Part B Subgrants to LEAs



Base Payment Adjustments



Base payment amounts must be adjusted under specific circumstances.

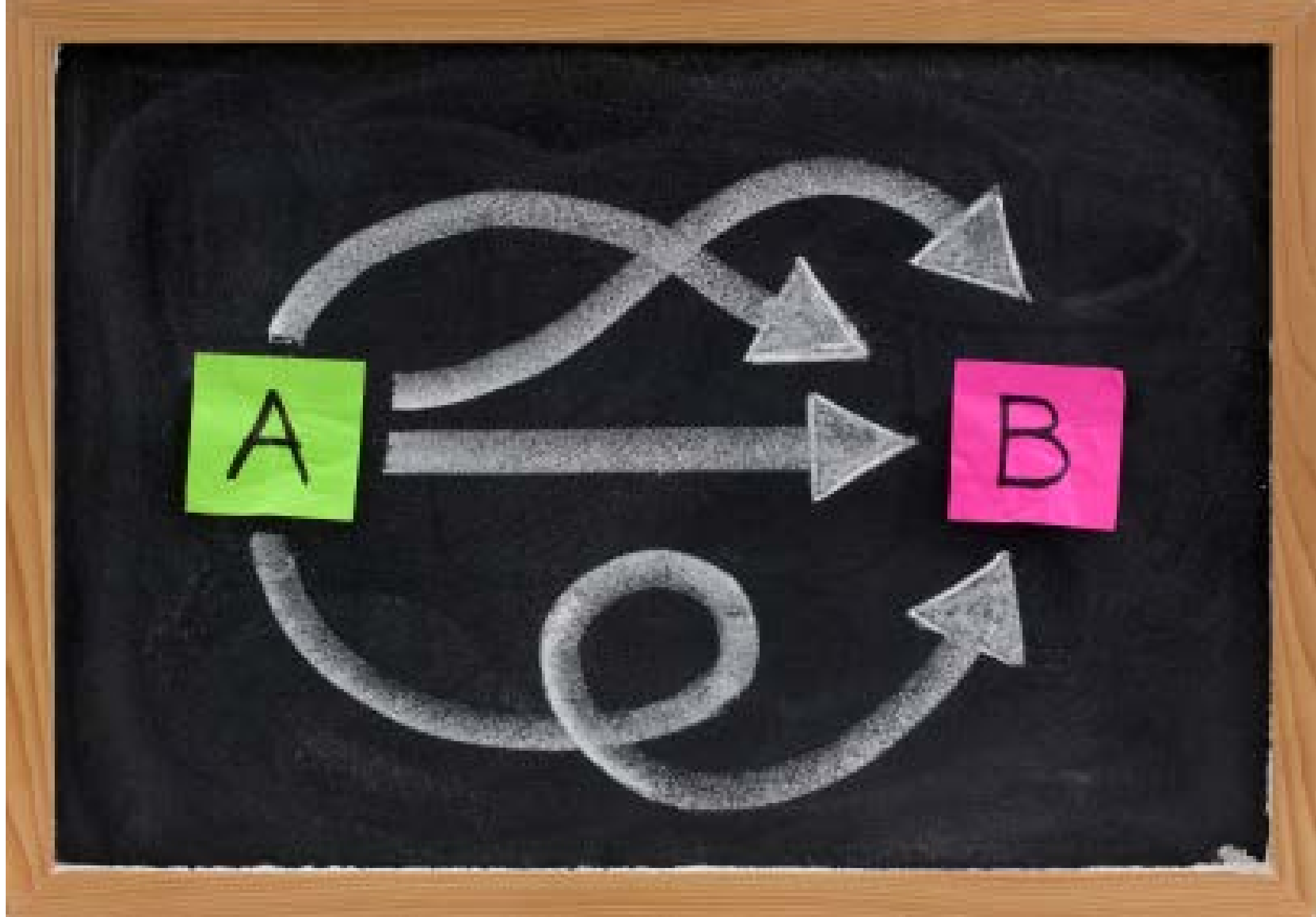
IDEA regulations at 34 CFR §§300.705(b)(2) and 300.816(b) require that the base payment be adjusted when the following occur:

- 1) A new LEA, including a new charter school LEA, is created.
- 2) Two or more LEAs combine into a new, single LEA.
- 3) Two or more LEAs change geographic boundaries or administrative responsibility for providing services to children ages 3 through 21 for section 611, or to children ages 3 through 5 for section 619 (including as a result of one or more of the LEAs closing).
- 4) An LEA that had a base payment of \$0 in its first year of operation (because it did not serve children with disabilities) now does serve children with disabilities.

Subgrants and Charter Schools



- SEAs must ensure that new and expanding charter schools that meet the definition of an LEA at 34 CFR §300.28 and have established eligibility for IDEA funds receive the federal formula funds for which they are eligible.
- The requirements in Charter School Expansion Act and its regulations at 34 CFR §§ 76.785-76.799 also apply.



CIFR Resources on the Allocation of IDEA Part B Subgrants to LEAs



<https://cifr.wested.org/resources/allocation-of-idea-part-b-subgrants-to-leas/>

- Quick Reference Guide on the Allocation of IDEA Part B Subgrants to Local Educational Agencies
- Practice Guide: Examples of Adjustments to the IDEA Subgrant Base Payments for Local Educational Agencies
- One more coming soon – CIFR Practice Guide on Writing Procedures

Related IFF 2018 presentations



Facilitated State Networking and Discussion Sessions, April 24, 2.00 – 3.00 pm

Establishing SEA Procedures for the Allocation of IDEA Part B Subgrants: State Perspectives and Practice in Kansas and New Jersey, April 25, 9.45 – 11.15 am

IDEA Allocation Audit Resolution: Arizona's Path to Compliance, April 25, 1.00 – 2.30 pm

Calculating IDEA Part B Subgrant Base Payment Adjustments: The Mechanics and CIFR Calculators, April 26, 8.30 – 10.00 am

Nitty Gritty Details – Who, When, and Why?

Overarching Questions – Getting into the Details



- Who needs to be involved in making allocations?
- Which entities in the state are eligible for Section 611 and Section 619 subgrants?
- What is the Charter School Expansion Act?
- Definitions

Who needs to be involved in making allocations?



Offices and Agencies Administering Section 611 and Section 619 Subgrants

- Special Education
- School Finance
- Charter School
- Data

What ages can these subgrants be used to serve?

Section 611

- Ages 3-21

Section 619

- Ages 3-5

Which entities in the state are potentially eligible for Section 611 and Section 619 subgrants?



- Traditional school districts
- Educational service agencies (ESAs) that are LEAs
- Charter school that are LEAs
- State agencies that serve as LEAs
- All LEAs are eligible for population & poverty amounts of section 611 and section 619 allocations regardless of current special education child count
- All LEAs that can enroll 5-year olds in kindergarten are eligible for section 619 allocations

Charter School and other Non-Traditional LEAs



- **Does state law allow for charter school LEAs for IDEA purposes?**
- **Does state law allow for educational service agencies (ESAs)?**
 - Do those ESAs serve as LEAs – are they responsible for providing free appropriate public education (FAPE)?
- **State agencies—See 34 CFR §300.228**
- **Which other entities receive allocations?**

Charter School Expansion Act



20 U.S.C. §7221e

- Ensure that every charter school receives the Federal funding for which it is eligible not later than 5 months after it first opens (or significantly expands).
- Notwithstanding the fact that the identity and characteristics of the students enrolling in that charter school are not fully and completely determined until that charter school actually opens (or significantly expands).

Charter School Expansion Act (cont.)



- Include provision for appropriate **adjustments**, through **recovery of funds or reduction of payments for the succeeding year**, in cases where payments made to a charter school on the basis of **estimated or projected enrollment data** exceed the amounts that the school is eligible to receive on the basis of **actual or final enrollment data**.
- For charter schools that first open after November 1 of any academic year, the State shall ensure that such charter schools that are eligible for the funds described in subsection (a) for such academic year **have a full and fair opportunity to receive those funds during the charter schools' first year of operation**.

Guidance on IDEA Funds and Charter Schools



- Office of Special Education and Rehabilitative Services (OSERS) Frequently Asked Questions about the Rights of Students with Disabilities in Public Charter Schools under the Individuals with Disabilities Education Act (fiscal questions start on page 23), 2016: <https://www2.ed.gov/policy/speced/guid/idea/memosdcltrs/faq-idea-charter-school.pdf>
- Nonregulatory Guidance: Allocating Federal Funds to Charter Schools, 2000: <https://www2.ed.gov/policy/elsec/guid/cschools/cguidedec2000.pdf>

Key Complexities and Common Problems – Are you seeing what we’re seeing?

How to Talk about LEAs that need Base Payment Adjustments



- **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 children with disabilities.
- **Transferring LEA:** An Affected LEA that transfers responsibility to an Assuming LEA to provide FAPE to children with disabilities.
- See CIFR Practice Guide: Examples of Adjustments to IDEA Subgrant Base Payments for Local Educational Agencies (<https://cifr.wested.org/wp-content/uploads/2018/04/CIFR-Practice-Guide-Allocations-Base-Adj.pdf>)

Providing a Subgrant to all Eligible LEAs: Potential Mistake



Potential Mistake: Not providing a subgrant to an LEA with a special education child count of zero.

Providing a Subgrant to all Eligible LEAs: CIFR and OSEP Response



An LEA does not need to serve children with disabilities to receive an allocation:

- Every LEA gets a population and poverty allocation.
- If an LEA has never reported serving a child with a disability, they don't get a base payment.
- Once an LEA has reported serving a child with a disability (once), they will receive a base payment unless their base is adjusted back to zero.

Providing a Subgrant to all Eligible LEAs: State Experiences and Solutions



Have you had these challenges?

How have you resolved them?

Base Payment Adjustments: Potential Mistake

Potential Mistake: Always going back to the 1996 (Section 619) and 1998 (Section 611) child count to make adjustments each year

Questions:

- What year child count do I use?
- What age range do I use?
- What is an affected LEA?

Base Payment Adjustments: CIFR and OSEP Response



Use the most recent child count of children with disabilities when adjustments are necessary (i.e., the child count in the school year in which a new LEA is opening or another base payment adjustment applies).

Child count used for section 611 base payment adjustments is of children with disabilities ages 3-21.

Child count used for section 619 base payment adjustments is of children with disabilities ages 3-5.

Base Payment Adjustments: CIFR and OSEP Response (cont.)



Only adjust the affected LEAs (i.e., an LEA that is affected by one of the circumstances requiring a base payment adjustment).

Each such circumstance involves the transfer of responsibility to provide FAPE to children with disabilities away from one or more Transferring LEAs to one or more Assuming LEAs.

- Both traditional and charter school LEAs can be affected LEAs.
- It is possible that in a given year, many LEAs could be an affected LEA.

Base Payment Adjustments: State Experiences and Solutions



Have you had these challenges?

How have you resolved them?

Population Counts: What to use?



Do we count children from the district of residence or from the district where children attend school?

Who is included in private school counts for population?

What is an elementary school?

- Does it include children enrolled in preschool?

Population Counts: CIFR and OSEP Response



Understand how LEAs report enrollment to the SEA.

Avoid double counting of populations.

- Identify anyone who isn't reporting in the same system and look for duplicates.
- Count every child once and only once in the proper place.

Understand the state's definition of elementary school.

Population Counts: State Experiences and Solutions



Have you had these challenges?

How have you resolved them?

Child Count for New LEAs: Potential Mistake



Potential Mistake: Whenever there is a new charter school LEA, the state uses an estimated placeholder child count and does not correct the allocations later.

Questions:

- What numbers should we use?
- How can we leave ourselves the flexibility to make adjustments once final data are available?

Child Count for New LEAs: CIFR and OSEP Responses



Ask the new charter LEA what they anticipate for population, poverty, and child count and use those numbers as estimates.

Plan ahead and follow up:

- Adjust allocations throughout the year using actual data once they are available for the new charter LEAs.
- Engage in fiscal planning to ensure you have the flexibility to true up.
- Get educated estimates so the variance won't be as extreme.

Child Count for New LEAs: State Experiences and Solutions



Have you had these challenges?

How have you resolved them?

Significantly Expanding Charter School LEAs: Potential Mistake



Potential Mistake: Program offices have inconsistent definitions of significant expansion.

Questions:

- Is the definition appropriate?
- How do we define enrollment increases?
- Is the definition widely understood?

Significantly Expanding Charter School LEAs: CIFR and OSEP Responses



Develop and apply a consistent definition of significant expansion with other program offices that need to have a definition.

Consider whether the definition is appropriate and understood:

- How many charter school LEAs are meeting that definition each year?
- Charter school LEAs should know the definition and the process they need to follow to alert the SEA that they are expanding.

Significantly Expanding Charter School LEAs: State Experiences and Solutions



Have you had these challenges?

How have you resolved them?

Other experiences and questions?



What did we miss?

What other complexities have you found?

Allocations Quiz Show

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