



Maintenance of State Financial Support: Calculation Mechanics and Key Procedural Components

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Session Objectives



Participants will learn about

- The importance of written maintenance of state financial support (MFS) procedures.
- Procedural components to consider for their state MFS procedures.
- Questions to consider in the development of comprehensive MFS procedures.

Understanding the MFS Requirement

Why must state financial support be maintained?



IDEA requires states to maintain their annual level of funds made available for special education and related services.

MFS provides a safety net of support for LEAs.

What is MFS?



34 CFR §300.163(a) Maintenance of State financial support

General. A State must not reduce the amount of State financial support for special education and related services for children with disabilities, or otherwise made available because of the excess costs of educating those children, below the amount of that support for the preceding fiscal year.

MFS Regulations



34 CFR §300.163(b) Reduction of funds for failure to maintain support

The Secretary reduces the allocation of funds under section 611 of the Act for any fiscal year following the fiscal year in which the State fails to comply with the requirement of paragraph (a) of this section by the same amount by which the State fails to meet the requirement.

Developing Your Policies and Procedures

Why are written procedures important?



Builds state's understanding of compliance

Demonstrates state's ability to meet MFS

Helps staff implement and comply to MFS requirement

Helps stakeholders understand and support compliance

Recommended Components



Component 1: Purpose of State’s MFS Procedures

Component 2: Staff Responsibilities and Timeline for Collecting, Validating, and Reporting MFS Data

Component 3: State’s Definition of “Made Available”

Component 4: Direct Legislative Appropriations Supporting Special Education and Related Services

Component 5: SEA Financial Support for Special Education and Related Services

Component 6: Other State Agency Financial Support for Special Education and Related Services

Component 7: MFS Calculation

Component 8: Validating and Reporting MFS Data

Component 9: Actions in Case of Failure to Maintain Financial Support

Updating State's MFS Procedures: Why?

What prompted you to review and update your MFS calculation and/or procedures?



Component 1: Purpose of State's MFS Procedures



What additional state requirements, if any, exist that may impact the MFS requirement and procedures?

How are MFS procedures used?

How are stakeholders, including other state agencies or direct service providers included or involved in implementing MFS procedures?

Component 2: Staff Responsibilities and Timelines



Which offices are responsible for implementing these procedures?

What specific staff positions have final oversight?

Which office(s) are responsible for reviewing and verifying the MFS data of other state agencies?

Component 3: State's Definition of "Made Available"



"Made available" does not mean "expended"

- How does the state identify all state funds made available for special education and related services or otherwise made available because of the excess costs of identifying and educating children with disabilities?
- What are the categories of funding that comprise state financial support for special education and related services?
- What exceptions, if any, are there to the general principle that "made available" does not mean "expended?"

Components 4 – 6: Sources of State Support



Direct Legislative Appropriations Supporting Special Education and Related Services

- Is there a direct special education appropriation or is it part of a broader education appropriation?

SEA Financial Support for Special Education and Related Services

- What is the method for distributing state funds for education and special education to LEAs?

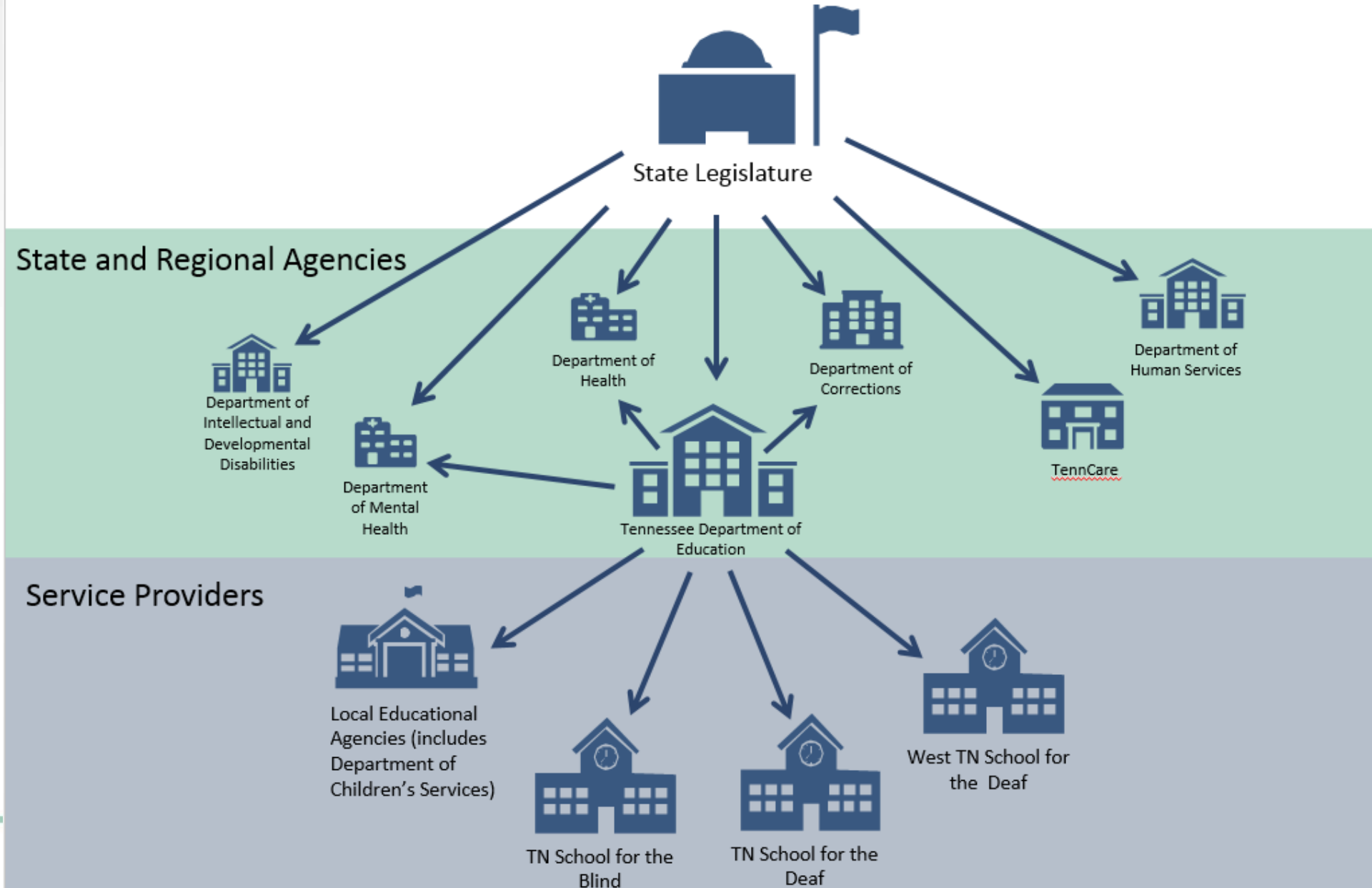
Other State Agency Financial Support for Special Education and Related Services

- Which agencies potentially provide direct services to children with disabilities in accordance with their IEPs?

Tennessee Maintenance of State Financial Support



Tennessee Funding Flow



Components 7 – 8: MFS Calculation and Data Validation



- **What resources (e.g., spreadsheet, database report) does the SEA use to perform and document the annual calculation?**
- **How does the SEA ensure the data reported are based on complete and audited financial data, including data submitted by other agencies, and reflect any adjustments made throughout the year?**

MFS Calculation and Validation



A	B	C	D	E
Worksheet to Enter Maintenance of State Financial Support Amounts for State Fiscal Year (SFY) 2016				
SEA Funds				
SEA Office or Division	Identifier or Budget Code	Description	Amount of State Funds	Notes
Division of Financial Administration	1200 - Subgrantee	1250 - Special Education and Related Services	\$ 98,754,432	Minimum foundation formula for spec. ed. & related serv.
Division of Financial Administration	1200 - Subgrantee	1260 - Extended School Year Services	\$ 1,350,000	Special appropriation to offset cost of providing ESY to elig
Division of Financial Administration	1200 - Subgrantee	1270 - PBIS	\$ 2,500,000	Special appropriation to expand amount of funds for LEAs t
Division of Curriculum and Instruction	1300 - Specially-Designed Instruction	1360 - Alternate Assessment	\$ 500,000	
Total SEA Financial Support for Fiscal Year Ending June 30, 2017			\$ 103,104,432.00	
Other State Agency Funds				
Other State Agency	Identifier or Budget Code	Description	Amount of State Funds	Notes
Department of Mental Health	1425 - Psychological Services		\$ 229,000	Behavioral counseling
Department of Mental Health	1340 - Early Identification & Assessment		\$ 345,000	Psychological and behavioral assessments
Department of Behavioral Health and Developmental Disabilities	1600 - Vocational Education		\$ 2,500,000	Vocational counselors for transition age students with disa
Department of Behavioral Health and Developmental Disabilities	1650 - Job Coaching		\$ 1,000,000	On site job coaches for students with disabilities
Department of Children and Families	1000 - No State Funding Made Available		\$ -	
Department of Corrections	1010 - Total State Funding Made Available	1250 - Special Education and Related Services	\$ 400,500	
Deaf/Blind/Other Low Incidence	1300 - Specially-Designed Instruction	1250 - Special Education and Related Services	\$ 4,500,000	
Department of Health	1100 - School Health Services		\$ 750,000	Includes medication administration/monitoring/feeding/cl
Total Other State Agency Financial Support for Fiscal Year Ending June 30, 2017			\$ 9,724,500.00	
Total State Financial Support for Fiscal Year Ending June 30, 2017			\$ 112,828,932.00	

Component 9: Failure to Maintain Financial Support



What mechanism, if any, does the state have in place to request that additional funds be allocated if it appears it may not meet MFS?

What is the process for making this request?

Wrap-up and Lessons Learned

Revisiting MFS Procedure Components



Component 1: Purpose of State’s MFS Procedures

Component 2: Staff Responsibilities and Timeline for Collecting, Validating, and Reporting MFS Data

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Lessons Learned



Recommendations for other states who are reviewing or updating procedures

What are some action steps you are thinking of as a result of this session?

Resources



CIFR Practice Guide: Writing MFS Procedures (forthcoming)

CIFR's MFS Toolkit (<https://cifr.wested.org/resources/mfs/mfs-toolkit/>)

- Quick Reference Guide
- Funding Flow Ideograph Tool
- Timeline Development Tool
- MFS Data Collection and Reporting Tool
 - Supplemental Materials: Letter to Other State Agencies and Data Entry Form

Resources (cont.)



OSEP Memorandum 10-05

<https://www2.ed.gov/policy/speced/guid/idea/letters/2009-4/directors120209finsupport4q2009.pdf>

OSEP Process and Criteria Used to Evaluate a Request by States to Waive Maintenance of Effort (MOE) Requirements Under Part B of the Individuals with Disabilities Education Act (IDEA) (<https://www2.ed.gov/policy/speced/guid/idea/moe-waivers.pdf>)

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Thank you!

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