Establishing SEA Procedures for the Allocation of IDEA Part B Subgrants: State Perspectives and Practice in Kansas and New Jersey

April 25, 2018
Purpose of session

• Develop a basic understanding of the requirements related to the allocation of IDEA Part B subgrants to LEAs.

• Identify benefits and essential components of written allocation procedures.

• Determine key steps for developing written allocation procedures.
Foundational background
What are Part B subgrants to LEAs?

States must distribute any Section 611 and Section 619 funds that are not reserved for state-level activities to eligible local educational agencies (LEAs), including charter school LEAs.

- 34 CFR §300.705(a) for Section 611, ages 3-21.
- 34 CFR §300.815 for Section 619, ages 3-5.
- LEAs do not need to be serving children with disabilities to be eligible.
How are subgrants distributed to LEAs?

State Part B Grant (Section 611 or Section 619)

- State set-aside
- Subgrants to LEAs
  - Base payments, including adjustments
  - Remaining funds
    - 85% allocated based on total public and private school enrollment
    - 15% allocated based on number of children living in poverty
Do base payments change over time?

Individual LEA base payments stay the same from year to year, except when adjustments are required:

- 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.
- An LEA that had a base payment of zero in its first year of operation now serves children with disabilities.
- A charter school LEA significantly expands its enrollment.
Can subgrants to LEAs be reallocated?

Yes, under certain circumstances:

- If a state educational agency (SEA) determines that an LEA is adequately providing free appropriate public education (FAPE) to all children with disabilities with state and local funds.
- If an LEA is not serving children with disabilities and the SEA has determined the LEA has not obligated the funds (within a reasonable timeframe).

The SEA may:

- Reallocate to other LEAs that are not adequately providing special education.
- Retain for use at the state level (if SEA has not reserved maximum amount).
Background resources

CIFR Resource Catalog: [https://cifr.wested.org/resources/allocation-of-idea-part-b-subgrants-to-leas/](https://cifr.wested.org/resources/allocation-of-idea-part-b-subgrants-to-leas/)


Related IFF 2018 presentations

IDEA Part B Subgrant Complexities and Compliance: Addressing Calculation Challenges
- April 24, 10.15 – 11.45 am (Maplewood B)

IDEA Allocation Audit Resolution: Arizona's Path to Compliance
- April 25, 1.00 – 2.30 pm (Maplewood A)

Calculating IDEA Part B Subgrant Base Payment Adjustments: The Mechanics and CIFR Calculators
- April 26, 8.30 – 10.00 am (Camellia)
Framework for procedures
Why written procedures?

- To facilitate correct and consistent allocations.
- To demonstrate understanding and compliance to OSEP during monitoring visits.
- To share with LEA staff who have questions about the process.
- To assist with staff attrition and transition.
Framework for allocation procedures

Component 1: Purpose of, and Authority for, Procedures

Component 2: Applicability of Procedures to LEAs, including Charter School LEAs

Component 3: Timeline and Staff Responsibilities for Calculating and Allocating Subgrants to LEAs

Component 4: IDEA Part B Base Payments

Component 5: Base Adjustments

Component 6: Allocations Calculated using Population and Poverty Measures

Component 7: Reallocation of Available Funds

Component 8: Section 619 Subgrants to LEAs when the State Award is below the 1997 Funding Level
What should be included for each component?

• Citations of relevant regulations.
• Identification of “who” carries out activities to fulfill the regulations and “when.”
• Identification of what data are needed and from where the data are obtained.
• High level description of how the activities are carried out (process).
  ▪ Use the questions in OSEP’s fiscal monitoring protocol as a guide.
  ▪ State should consider a separate desk manual that details internal processes and controls (e.g., how to update a spreadsheet, from whom to collect data).
• Supporting documentation (e.g. state statutes, sample forms).
A closer look: Reallocation of available funds

- Does the state generally choose to reserve the maximum amount of its state set-aside funds or reserve less than the maximum and allocate the remaining funds to LEAs?
- If the state reserves the maximum amount, how does the state plan for any reallocation of funds that are unused by LEAs?
- What is the process for reallocation of unused Part B funds?
A closer look: Reallocation of available funds (cont.)

- How does an LEA inform the SEA that funds are not needed and thus are potentially available for reallocation?
- How does an SEA determine if an LEA is adequately providing FAPE to children with disabilities in order to allow reallocation of funds?
- How does the SEA determine that LEAs receiving the reallocated funds are not adequately providing special education and related services to all children with disabilities residing in the areas served by the receiving LEAs?
Resources for developing procedures

OSEP 2017 Part B Fiscal Monitoring Protocol: LEA Allocations
(https://osep.grads360.org/#communities/pdc/documents/13532)

Coming soon!
CIFR Practice Guide: Writing Procedures for the Allocation of IDEA Part B Subgrants to LEAs
Lessons from your state colleagues – New Jersey
New Jersey’s starting point

- Lack of written procedures.
- Loss of institutional knowledge.
- Lack of collaboration between offices.
New Jersey: Lack of written procedures

<table>
<thead>
<tr>
<th>Task Name</th>
<th>Duration</th>
<th>Approximate Start</th>
<th>Approximate Finish</th>
<th>% Work Complete</th>
<th>Notes (Person responsible) All oversight is provided by the IDEA Coordinator</th>
</tr>
</thead>
<tbody>
<tr>
<td>Obtain, clean and create 10 data elements from raw files</td>
<td>75 days</td>
<td>Mon 1/14/14</td>
<td>Fri 4/26/14</td>
<td>100%</td>
<td>Send requests to 7 data holders - Completed. Received SF Enrollment 1/28/14 F. Lavdas, clean and compares to FY 2012. Received Public Enrollment/Free and reduced from Ray Hofefered - adjusted for closed schools, regionals etc. Received NP Enroll and Free reduced from J. Moticha, adjusted created regionals ran for each grant. A. Katta provide the SWD both Public and NP counts.</td>
</tr>
<tr>
<td>Create eligibility files - Step 1 allocation development</td>
<td>5 days</td>
<td>Mon 2/4/14</td>
<td>Fri 2/8/14</td>
<td>100%</td>
<td>1 – basic and 2 - preschool. The lists will be updated to include the new 2014 charters, closed charters and merged LEAs. There are in Basic Preschool</td>
</tr>
<tr>
<td>Work with vendor on specs and make any necessary changes to new application</td>
<td>40 days</td>
<td>Mon 3/4/14</td>
<td>Fri 4/26/14</td>
<td>100%</td>
<td>Changes in project period, impact of IG12, and any new requirements. Tweaked the functionality of only a few forms.</td>
</tr>
<tr>
<td>Application in Development by vendor</td>
<td>31 days</td>
<td>Fri 3/22/14</td>
<td>Fri 5/3/14</td>
<td>100%</td>
<td>Apati (vendor)</td>
</tr>
<tr>
<td>Create 10 Files required for allocations from cleaned raw files</td>
<td>25 days</td>
<td>Mon 3/25/14</td>
<td>Fri 4/26/14</td>
<td>100%</td>
<td>Allocation files all completed. Public NP SWD required verification.</td>
</tr>
<tr>
<td>Quality Assurance Testing of Application by vendor</td>
<td>25 days</td>
<td>Mon 4/8/14</td>
<td>Fri 5/10/14</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>
### New Jersey: Lack of written procedures (cont.)

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<tr>
<td>Obtain, clean and create 10 data elements from raw files</td>
<td>Fri 4/26/14</td>
<td>PG sends email and file to for SFEA and ASSA (both from NJSmart) this gives enrollment and free and reduced for public. PG sends emails to J. Moticha (technology) for enrollment and free and reduced from the nonpublic enrollment report. PG sends email to OsEP data manager for student with disability count for public and nonpublic. (public enrollment, nonpublic enrollment, public free and reduced, nonpublic free and reduced, SWD count public, SWD count nonpublic, SFEA (state agency enrollment count). Next step is to scrub the files (move nonops into appropriate district file), PG works with eligibility file (self-created from ACCESS) and add new charters/delete charters, then import the Basic ASSA report, merge the two files and then export the new file to determine which districts are eligible but don't have enrollment or free/reduced. For example the new Renaissance schools. For any schools PG goes directly to Frank in Finance. Information for the Renaissance schools is included in Camden's data (PG then removes data from Camden and moves to the Renaissance schools) Next non-operating that did not merge (stopped the process). PG goes directly to Frank in Finance and gets the enrollment/free and reduced information. Last group - charter schools. Charter school enrollment is included in the district numbers. Take the charter numbers out of the districts in the ASSA file then will have a # just for districts and charters which is then merged. 667 districts. Need clear directions and steps for each file.</td>
</tr>
<tr>
<td>Adjust the nonpublic enrollment report</td>
<td></td>
<td>Report received from Jack Moticha (OIT). Large spreadsheet organized by district, SWD and free and reduced. (1) Add the regional school districts to this excel file (Example, Upper Freehold Reg'l) use the master file that PG has to determine which students need to be removed from the feeder districts and added to the regional district so that the regional district has the correct enrollment numbers. This file creates two files that get uploaded to EWE (1) nonpublic enrollment and (2) nonpublic poverty.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Original report comes from Alava (public/nonpublic SWD). One excel file that is compared to last year's file. Add a third column that looks at the</td>
</tr>
</tbody>
</table>
New Jersey: Loss of institutional knowledge

- Part B fiscal coordinator planned to retire before next grant cycle.
- 25 years of working mostly independently.
- Challenge to extract the information.
New Jersey: Lack of collaboration between offices
New Jersey: The process

- Worked with CIFR and IDC onsite for several days.
- Commitment from State staff.
- Dedicated time and resources.
New Jersey: Challenges

- Commitment to the process.
- Personnel.
- Pulling back the curtain.
- Lack of knowledge.
New Jersey: What we accomplished

- Memorialized internal policies and procedures.
- Compliant with federal requirements.
- Identified personnel in other offices.
- Working documents.
New Jersey: Ongoing support and collaboration

- Continue to reach out to CIFR.
- Members of CIFR Community of Practice.
Lessons from your state colleagues – Kansas
Kansas: Starting point

- Triggered by a question posted on CIFR Listserv.
  - Response compared to other states.
- Identified a need to change allocation/application timeline.
- Recognized that no formal written procedures were in place.
Kansas: No formal written procedures

VI-B Allocation Procedures
Path: T:\Special Education\SES Fiscal\Federal\VIB Allocations

Create new fiscal year folder
- Create new folders within new fiscal year folder
- Allocations to LEA
  - Source Data
- Assurances
- SEA Application

Source Data for creation of allocations
- Private Schools in USD Boundaries
  - Sara Barnes: School Finance
- All Buildings
  - Sara Barnes: School Finance
- Principals Building Report for P337
  - Sara Barnes: School Finance
- December 1 Count
  - Mason Vosburgh: ECSETS Team

Procedures:

Private Schools in USD Boundaries
- Copy spreadsheet (label working)
- Match USD with Private schools
- Match enrollment numbers with private school
- Subtotal enrollment numbers into LEA

All Buildings
- Copy Spreadsheet (label working)
- Subtotal all districts
- Subtotal into LEA

FY__ Allocation Workbook with application pre-loads
- Copy from previous year
  - Worksheet Tabs:
    - PSP Work
    - SFY__ Allocation USD Work
    - 3-21 Master
    - 3-5 Master
    - 50% Work
    - Final SFY__ - Static
    - Final Report SFY__
Kansas: Challenges

- “One man show.”
- Change in timeline affects current application & process.
- Dedicated time.
Kansas: The process

- Worked with CIFR onsite to kick off the process and develop an initial draft following OSEP monitoring protocol.
- Continued work with CIFR support through shared state draft via Google Drive.
- Used monthly SPP/APR meetings to present document and gather feedback from State team.
### Kansas: What’s changed?

#### Allocation of IDEA Part B Subgrants to Local Educational Agencies

#### Component 7: Private School Proportionate Share

This component describes the calculation of private school proportionate share for 611 and section 619 funds.

Kansas defines a private school as "an organization which regularly offers education at the elementary or secondary level, which is exempt from federal income taxation under section 501 of the federal internal revenue code of 1954, as amended, which conforms to the civil rights act of 1964, and attendance at which satisfies any compulsory school attendance laws of this state" (K.S.A. 72-5392(c)). The definition of private schools includes parochial schools.

The proportionate share amount is calculated by determining the number of children with disabilities who are enrolled by their parents in private schools within the school district, and have been identified as a child with a disability by the public school district, whether or not they are receiving services. This count is reported in the IDEA Private School Participation application collected by the KSDE.

<table>
<thead>
<tr>
<th>Approx. Date</th>
<th>Activity</th>
<th>Responsible Staff/Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>By April 1 or actual date received by USDOE</td>
<td>Receive projected section 611 and section 619 state grant amounts from the US Department of Education to be made available on July 1</td>
<td>State Special Education Director</td>
</tr>
<tr>
<td>By May 1</td>
<td>Calculate preliminary state set-aside amount and determine total dollar amount of flow-thru to be allocated.</td>
<td>ECSETS State and Federal Funding Coordinator/ECSETS IDEA Fiscal Consultant</td>
</tr>
<tr>
<td>By May 1</td>
<td>Determine whether base adjustments need to be made. Request list of LEA changes from KSDL School Finance Division.</td>
<td>ECSETS IDEA Fiscal Consultant</td>
</tr>
<tr>
<td>First Friday in May</td>
<td>Calculate needed adjustments to base payments. Calculate base payment, and population/poverty subgrant amounts for each eligible LEA. Provide preliminary subgrant amounts to LEAs for budgeting purposes.</td>
<td>ECSETS IDEA Fiscal Consultant</td>
</tr>
<tr>
<td>By May 1 or within 15 days after notification of amounts available</td>
<td>Publish and open annual LEA application for funds to determine eligibility for Part B subgrants.</td>
<td>ECSETS IDEA Fiscal Consultant</td>
</tr>
</tbody>
</table>
Kansas: Next steps

• Communicate changes and provide trainings to field.
• Streamline all procedure documents for other programs.
Discussion: What does this mean for your state?
Revisiting the framework

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Thank you!
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