

Presentation Transcript

CEIS and Monitoring Use of Funds

IFF On Demand Webinar
January 28, 2019

Welcome and Presentation Introduction

0:00

Sara Doutre

Welcome everyone. My name is Sara Doutre, and I am with the Center for IDEA Fiscal Reporting, and this is the third in a series of webinars featuring presentations of popular sessions from our face-to-face meeting, the IDEA Fiscal Forum, which was held in Atlanta in April of 2018.

And the presentation today is on CEIS, coordinated early intervening services, and specifically monitoring the use of funds for CEIS.

Presenter Information

0:36

Sara Doutre

My presenters today, my co-presenters are myself, from the Center for IDEA Fiscal Reporting; Mary Ellen Parrish, who is a Program Fiscal Coordinator at the Washington Office of the Superintendent for Public Instruction in Washington state; John Andrejack, who's the Financial Manager for Program Finance at the Michigan Department of Education; and Daniel Schreier, who is our CIFR Project Officer at the Office of Special Education Programs at the U.S. Department of Education.

Session Overview

1:06

Sara Doutre

So as a session overview, I'm just going to give you a little bit of the objectives and then our outline for today, our time today.

Learning Objectives: Fiscal Focus

1:14

Sara Doutre

So our objectives today are that participants will understand how funds for CEIS may be reserved, participants will be able to describe ways to encourage local educational agencies' timely use of CEIS funds. We're going to spend some time talking about the logistics of reserving and using the funds, including timelines.

And then hopefully, areas where you all in the states can improve your procedures for monitoring the use of CEIS funds. So, again, we aren't going to get into some things, I'll talk about that, but really focus on the logistics of monitoring funds that are reserved for CEIS.

Much of the conversation will apply to both voluntary coordinated early intervening services, and comprehensive coordinated early intervening services, which is often, we often use the acronym CCEIS. But most of it will apply to both of those, even though we don't have that acronym in this presentation as well.

Session Outline

2:09

Sara Doutre

So, on the next slide it outlines what we are going to talk about, is what we do know about monitoring funds. The requirements and guidance, and some common questions, and then probably the most beneficial thing for states, we have found over time, is state experiences with monitoring funds. And so that's where our presenters from Michigan and Washington come in. That, we're hoping they will share with you their experience and you'll be able to learn from that, or that will spark some questions.

Regulations: Voluntary CEIS

2:36

Sara Doutre

So with that, I am going to quickly talk about the regulations related to voluntary CEIS and comprehensive CEIS.

The regulation allowing for voluntary coordinated early intervening services, or CEIS, can be found at 34 CFR, section 300.226. And these are the regulations that allow an LEA to use up to 15% of its IDEA Part B subgrant, 611, and 619 subgrant, to develop and implement CEIS.

CEIS, voluntary CEIS, may be provided to students in grades kindergarten through grade 12, with an emphasis on grade 3, who are not currently identified as students with disabilities, but need additional support to succeed in the general education curriculum.

Activities that are allowed for CEIS include professional development and educational and behavioral interventions, and those activities are required to supplement and not supplant activities that are provided, have been provided in previous years through funds under the Elementary and Secondary Education Act, or ESEA.

So if there's an activity that is going to be expanded, or increased, that was previously funded, CEIS funds may be used for that, that they may not supplant those funds.

Regulations: Comprehensive CEIS

4:05

Sara Doutré

There are also regulations related to comprehensive CEIS. Those regulations can be found at 34 CFR §300.646(d) and these are the revised regulations from December 2016. These are the regulations that require that any LEA identified as having significant disproportionality to use the maximum amount, or 15%, of the IDEA Part B subgrant to provide comprehensive CEIS.

There are additional details in those regulations related to identifying the root cause, and making sure the CEIS addresses a significant disproportionality, but activities also include professional development and educational and behavioral evaluations, services, and supports.

Comprehensive CEIS, however, may be used for children age 3 through grade 12, not just kindergarten through grade 12, as is for voluntary CEIS. And must be used particularly but not exclusively for children not identified as students with disabilities, and who are in the subgroup that has been significantly over-identified in the finding of significant disproportionality.

What to Look for: Before, During, and After

5:19

Sara Doutré

On the next slide, we laid out a few things that we're going to get into on our presentation, and kind of how we've organized the questions that Dan is going to walk through with me. But what we should be looking at related to fiscal requirements. So what should the SEA be looking at, and what should LEAs be examining as they look at making decisions related to coordinated early intervening services?

And we've looked at before, during, and after the use of funds. So, before they use funds, the state should be encouraging LEAs to examine what funds are available, how long are they available, what approvals are required, what type of plan and reporting is required, we're going to talk about that.

During the use of CEIS funds, again, from the fiscal side, there are other pieces, but how are you tracking the use of the CEIS funds, how are you ensuring they're used appropriately, and what

are the procedures for returning to IDEA uses if they're not used. And that applies only to the voluntary funds. The comprehensive funds must be used for CEIS, but we're going to talk a little bit about returning those funds to other uses if they're voluntary CEIS.

And then after the use of funds, of course, what amounts are reported, and is there any follow-up needed on the use of those funds?

What Do We Know?

6:38

Sara Dautre

So with that, we're going to move into what we do know. So some OSEP and CIFR responses to common CEIS fiscal questions that we've received. And I am going to turn the mic over to Dan Schreier to help us walk through those.

Before: Are CEIS Funds from Section 611 or 619?

6:53

Daniel Schreier

Great, can everyone hear me? Yes? All right, so here are some of the questions, some are easier than others, but it's always good to consult either with CIFR or IDC's guidance on CEIS or significant disproportionality. We have some old guidance documents as well, but it can get tricky, because you have potentially multiple requirements all interplaying with each other. And I think that's what makes these requirements potentially challenging to implement.

So this first question about where do the CEIS funds come from? The question is, I guess it's a two-part question. So, one is, where do the funds come from? Was it the 611, 619 grant? Both? And the answer is yes, that when an LEA is contemplating reserving, or is required to reserve funds, it's the total of both the 611 and 619 subgrant. However, when it actually comes to the use of funds, then the LEA has discretion in using it either from one or either or both, with the caveat that obviously the 619 funds have to still keep their focus on 3- to 5-year-olds. All right?

Before: When are Funds Available for CEIS?

7:55

Daniel Schreier

So the availability of funds, potentially, we try to give as much flexibility, especially recognizing that LEAs who are getting notified that they have to reserve funds, they may have already thought and had plans for those funds for a specific year. And then that 15% reduction, reservation, can be challenging. So when we're thinking about a specific year when a district's identified a significant disproportionality, or if they want to reserve funds, the answer we give is

that essentially, and I guess it's also important for states to figure out too is that, we want to see evidence that 15% is reserved, of a grant.

And that potentially can be stretched over multiple years. And we're going to see, I think on the subsequent slide, we'll see that because our grants have forward funding and because the tidings period, at any point in time there's always two grants of funds, two years of funds available. And then from July 1 to September 30, there's always a third year in play as well.

So we want to see, is making sure that amount of reserve is, that total amount is reserved, and now what pots of funds, maybe the district wants to use to implement comprehensive coordinated early intervening services, we'd give them discretion. We can sort of see that on the next slide.

Availability of Funds

9:09

Daniel Schreier

I've kind of talked about this as the forward funding and the tidings. And then it's that last bullet is, of course—and this is where it's important for you to have consistency in working with your LEAs for those with significant disproportionality, while LEAs can always change their mind and go back to saying, you know what, we don't want voluntarily reserve the funds for CEIS, we want to use them just for special-education-related services. You know, if there's that finding of significant disproportionality, then 15% has to be budgeted and expended. So, there isn't that flexibility.

Availability of Funds (con't)

9:39

Daniel Schreier

When they see those three different pots of money, and the LEAs decide to reserve some of the funds from three years for significant disproportionality, you have to have some systems in place so that you can actually keep track of that, making sure that the LEA is actually expending the full 15% for significant disproportionality, even if it is spread out over multiple grant awards.

Before: Should the 15% be Calculated Prior to Other Amounts?

10:00

Daniel Schreier

And so here's what I mentioned with the interplay with other sorts of requirements. So, for example, if there is a 15% reservation, what do you do with the equitable services? And does that get reduced, for example, are we not providing as much for parentally placed children in the service plans? And the answer there is no, the calculations have to both be done on the total amount of the subgrants. And so you do proportionate share calculation on the 619 funds, on

the 611 funds, you do the reservation based on, for mandatory obviously on both, 611 and 619. And so they're done at the same time. They're not, one doesn't reduce the other.

During: What are the Supplement, not Supplant, Requirements for CEIS?

10:39

Daniel Schreier

And this one, I don't know if people saw today, but the department just released draft guidance seeking input regarding supplement-not-supplant requirements for Title I, and I'm not certain if this will have an impact on CEIS funds. But generally, yes, CEIS funds, especially if they're being used in conjunction with Title I and Title III, as is allowed by our regulations and the statute, they can't supplant those funds.

So if Title I funds are already being reserved, so for example, for a reading intervention program, you cannot use the CEIS funds to replace the Title I funds that were already being used for the reading intervention program. That would violate the supplement-not-supplant requirement. And you can see the guidance letter we had from 2008 on this.

After: How does an LEA's Use of CEIS Funds Affect LEA MOE?

11:23

Daniel Schreier

One last one. This question, if an LEA is deciding, or has to reserve funds, and they realize, oh, that money, we actually still need to provide additional funds for special education, even though we're reserving funds, or we're forced to, and if we're spending state or local funds for that, that will have an impact on how much money the district has expended for special education, needs to be reported as such, and is going to be an increase in the district's MOE levels.

So, something your district should think about before they voluntarily provide services. And potentially is a good reason why an LEA might want to spread out its expenditures on multiple grants so that they're not expending as much in a single specific year for mandatory CEIS.

Michigan's Experience with Monitoring CEIS Funds

12:10

Sara Dautre

I'll go ahead and introduce John and turn the microphone over to him.

Significant Disproportionality: Before

12:17

John Andrejack

So in describing Michigan's experience with monitoring CEIS funds, I'm picking up after the LEAs have been identified as having significant disproportionality. So once they've been identified, they've been informed that they were identified with significant disproportionality, they are invited to a meeting that we hold in May.

And during the meeting, we help them in understanding their data and why they were identified. Not everybody that is identified always fully understands why they are in the meeting, so we take some time to help them understand why they are there. We also inform them of the requirements they will need to meet, and two areas that we spend quite a bit of time on is the requirement to reserve the 15% of their Part B funds, and to provide CEIS and the data collection requirements.

While there is more than one fiscal year that can be considered for reserving the required 15% of their Part B funds, we have the LEAs use the next year's fiscal year's funding, starting July 1. The LEA then has the full 27-month period of availability to spend the required amount of funds. The only time that we have had any of the LEAs use a prior year fund stream in a carryover year is back when the stimulus funds were available.

And so that was something that they were able to do back then. But usually they're already committed, so the next year's funds are the typical ones that they are using for that purpose. We encourage the LEAs to develop their CEIS plan to fully expend the required 15% of their Part B funds in the first year, the July 1 to the June 30. Some LEAs that have large amounts of funds to spend may choose to intentionally plan to implement their CEIS program over two years.

But why do we do this? And this is where you get into some of the challenges, and the way we're trying to address them is, one reason is the LEAs may get a slow start, and then not get all of their funds expended in the first year. So by trying to encourage them to develop their plans and spend in the first year, gets them a little bit more active in trying to get their plans developed and implemented.

We have seen that when LEAs do not plan well and they end up in the carryover year, that they are at greater risk for not having all the required funds expended by the end of the period of availability. Then we're into the recapturing of funds. So we are doing everything we can to prevent the need to recapture and return funds to the federal government.

The benefits to completing their required CEIS program and fully expending the required amount of funds in the first year reduces also the tracking requirement. So for every year that the LEA provides a CEIS program, another tracking cycle is required. So if the LEA must carry over funds, it's also most likely that it will result in an amendment to their approved CEIS plan to address how those carryover funds will be spent. So any LEA that is able to get their funds spent in that first year, they're able to reduce a lot of the activities that are associated with that, and they have a higher likelihood then of not having funds being recaptured.

Significant Disproportionality: During

15:55

John Andrejack

So the application approval. First, we have developed a template specifically for the LEAs with significant disproportionality to complete. This helps lead them through the process of providing the information that they need to consider and provide in their application for approval. We have utilized this same form with some modifications for voluntary CEIS since we want to provide similar supports and consistency in our approach.

The templates continue to be modified based upon what we learn through the application review process. All of the LEAs reserving funds for either voluntary or required CEIS must submit their CEIS program design and their budgets into their application for review and approval. And over time, we've developed an office team made up of program and fiscal staff to review the applications.

During this review, the team ensures that the LEA has reserved the correct amount of funds, if required to reserve the 15% versus the estimated amounts provided back in May at the significant disproportionality meeting. So a lot of times, we will see the program design submitted, but they haven't updated it based on their actual allocations and the amount that they're required to reserve. So we always have to make sure that they're including the right amount.

During the review of the CEIS program submitted by the LEA, there are a couple of areas that we have learned to pay particular attention to. And so this goes back to the monitoring and the challenges that we've had and some things that we've learned during that time.

One of them is the program provided clearly described as being either a new or supplemental program, or is there a concern that the program being provided is an already existing program, and this is a shift in funds or supplanting. And so, you might be able to read a program design, something that the LEA is going to be providing, and it looks like everything's allowed, but there might be some clues in the program design that lead you to believe that this is already an existing program and so is it supplemental or is it really a shift in funds?

So there are some things that you have to look a little bit deeper into the applications to try to understand what's really being submitted and able to be approved. Something that's come into focus a little more recently is professional development. And so are staff that are attending the professional development, are they a part of the CEIS program being provided for the identified students, or are there other school staff attending possibly to have staff trained to provide a whole school program.

So should some of those staff being provided the PD costs, should they be being paid for with other funds. So that's a question that we've had to look into when we have seen a significant number of staff at a school district going to professional development that were not clearly identified in their program designs. Why are they being sent to the training, and are they just

going because they want to develop a whole school program, or are they really a part of the supports to the students that are in the early intervening services program.

Also, when we had program monitors going out into the LEAs to review the CEIS program, what was understood and approved in the applications was not what they were seeing when they were actually in the school district. And that was largely due to the overemphasis on the scientifically based strategy that they were implementing. The LEA would typically go onto the internet and pull down a program and simply cut and paste the program that they were using into their application. But they did not describe in their application how they were actually going about implementing that program in their schools.

So we are communicating more in meetings and how we go about creating the template design, requesting that the LEAs describe clearly how they are implementing the strategy in their school or schools. So this helps us during the review process, and for the team to understand the program that's being provided. And it also helps connect with any staff that's monitoring the program through any onsite visits.

The main point I want to emphasize here is that reading a program design and budget in an LEA's application overall may not be that challenging. But to look at the more complex questions related to supplanting and allowable use of funds may require a much deeper look and result in some targeted questions.

The quality in which the initial review is done, and what is being approved, has direct implications on the clarity any of your state ed agency staff may need when conducting an onsite visit. We have challenged the allowability of costs uncovered in onsite monitoring that were generally reviewed and approved in an application. So the front-end applications, if you are just generally looking at information and approving what is included in those program designs, when you're going and looking more specifically on an onsite monitoring, you may uncover some things at that point, and that's not the time when we want to do that. So we're trying to be more targeted at the front end, and our questions that we're asking to make sure that our beginning point and review of the applications aligns more closely to what we're looking at when we're in an onsite visit.

Okay, and then at the bottom of this I made a reference to Table 8, maintenance of effort and early intervening services. I can't recall from Atlanta exactly why I did that, but there is a direct relationship to the information that you're gathering and collecting for early intervening services tied to any reporting on Table 8 for maintenance of effort in early intervening services.

Significant Disproportionality: During and After 22:17

John Andrejack

Okay, so monitoring. I've already addressed this to some extent. Initially we had a couple monitors that went into the LEAs that were identified with significant disproportionality to do an onsite visit. And they did that early in the school year to review the program. And I would call

this initial monitoring that we did a very surface-level monitoring. We were still doing a lot of learning.

Since that time we've improved our onsite monitoring that's not only at the beginning of the year, but in an ongoing manner throughout the year. We have an electronic system where the LEA is able to input information and provide updates on a scheduled basis. And tracking expenditures, initially we were able to ensure the required amount of funds were being reserved, but we could not tell where the LEAs' expenditures were until after the end of the first year, which is not a good timing to really know where they're at.

Our timeliness in knowing the LEAs' expenditures did not provide us with the needed oversight and created a greater risk of the LEA not expending the required amount that would result potentially in a recapture of funds. So now we have an electronic system in place, where those LEAs required to spend the 15%, to enter their expenditures on a quarterly basis. And we can use that information in an ongoing way to determine the level of risk. So where we may start a year out without any concerns, tracking the LEAs' expenditures may provide us with information to identify a concern and then address it early on.

And by doing this, we should hopefully have the need to recapture funds resolved. So the takeaway that I would want you to have from my portion of this presentation is to pay attention to how you inform LEAs, how you develop processes, how you review and approve LEA applications, and be willing to continuously learn and improve your communication and processes to ensure your LEAs have the best information available and you have the clearest information when approving applications and monitoring. Thank you.

Washington's First Experience with Mandatory CEIS

24:43

Sara Doutré

Thank you, John. I'm really excited to have Mary Ellen Parrish on, from Washington state, and we'll turn that time over to her.

The Greeting (May 22, 2014)

24:50

Mary Ellen Parrish

Good morning. Our district, or excuse me, our state, was perhaps selected because we are a very good bad example of what can go wrong with your CEIS experience. Our state had not heard John's sage advice prior to our first experience in mandatory CEIS. And even though this material is somewhat dated, the lessons that you will see that we learned are very relevant.

So we had a district, back on May 22, in 2014, that was notified that they were significantly disproportional, and that was based on three years of analysis of their data. And this is right out

of the letter that our director sent to them, he says, "The designation of significant disproportionality means that your school district will be required to reserve the maximum amount of 15% of its federal funds under the 2015–16 IDEA allocation to provide coordinated early intervening services."

Areas of Disproportionality

26:04

Mary Ellen Parrish

And then on the next slide you will see the areas on which they were disproportional. This particular district was disproportional in the areas of American Indian/Intellectual Disability, Hispanic/Intellectual Disability, and American Indian/LRE placements.

Additional Required Actions

26:25

Mary Ellen Parrish

On the next slide, you'll see what we required of them in our letter. We asked them to review and, if appropriate, revise the district's policies, procedures, and practices related to the significantly disproportionate areas. We asked them to report on this review, and any subsequent revisions in the IDEA Part B fund application, and then publicly report on any revisions made to the district's policies, procedures, and practices as a result of this designation.

LEA Demographics

26:57

Mary Ellen Parrish

Now let's look at the next slide, and it will give you a peek into the demographics of this particular district. You can see that this district had 70.5% of their students were Hispanic, 21.5% American Indian or Alaskan Native, and then on down through the other categories.

Student Characteristics: Special Programs, Absence and Graduation Rates

27:20

Mary Ellen Parrish

And then on the next slide, a further peek at what we saw going on in this district in our first review of them. We found that over 95% of the students were free and reduced, that 11.6% of the population was special-ed eligible students, and as you can see, transitional bilingual, migrant, Section 504, unexcused absence rates, etc. There's the demographic profile of the district. We were particularly concerned with the absenteeism rate, which is about three and half times the state average.

Next Steps

28:01

Mary Ellen Parrish

On the next slide, we'll talk about the steps that we went through as we worked with this district. So remember we are notifying them in May of '14-'15, we're notifying them in May of 2014, which would mean we wanted them to go ahead and develop their plan for the '14-'15 school year, and then the monitoring team would go out in March of 2015, as we had seen very limited progress. Well, what was going on is we had a new director, who was struggling with exactly what to do, and as John had said, you can tell this district was definitely off to a slow start, as it was 10 months since they had been notified, and really nothing seemed to be going on.

First Plan

28:01

Mary Ellen Parrish

So, out we went and visited with them. And finally, we got a plan out of them. And it was an after-school program, providing reading instruction to K-2. And they told us the program would serve 180 students, require 18 teachers, and cost about \$104,000. In that plan, they identified that they wanted to use \$20,000 for transportation, \$74,000-plus for staffing and instructional materials, and that they wanted to use \$9,720 for snacks. Well, this plan was not approved, as you can well imagine, for a number of reasons. One of them being transportation costs, number two being snacks, and number three being that this was going to supplement a plan already in place in their 21st-century after-school program. So this was not approved. And, of course, we heard from the district. And on the next slide, you'll see just exactly how many times we did hear from the district.

Trial by Fire

30:02

Mary Ellen Parrish

And on the next slide, you'll see just exactly how many times we did hear from the district. They continued to submit plans, always going back to the fact that they wanted us to pay for transportation, and the snacks, and always getting a rebuttal from, no, we were not going to supplement a program already going on. So you can see that during four subsequent submissions, none of these were approved. In fact, the relationship got a little bit hostile, if you will, as you'll see on the next slide.

Finally!

30:42

Mary Ellen Parrish

Back and forth, back and forth. The superintendent of the district went so far as to talk to the state superintendent, she talked to OSPI's transportation director, we had numerous calls with the business manager, and it wasn't until November 9 of 2015 that a plan was finally accepted. And again, this is another example of a slow start, because we are three months into the school year in which the plan should have been implemented.

Also a significant troublesome area was the fact that the special ed director was a different person than we had started the conversations with in '14-'15.

Follow Up

31:34

Mary Ellen Parrish

And now if we go to the next slide, you'll see that we knew we had to monitor and we did. We had told the district that they needed to submit expenditure reports with special coding identified to their draws on the program, and as you can see, we weren't getting any.

Look at three different times, and did not have any fiscal reports. So at that time, the monitors went out yet again to visit with them. And they learned, in June, that once again the director was leaving, and that the CEIS activities, although in progress, had not been completed. And at that point, they were beginning to question could these funds be carried over. And as you've learned from John's presentation, yes they can, and that was our next step, was to, on the next slide, issue yet another letter to yet another director, and, if I recall, a different superintendent.

Enter LEA Special Education Director #4

32:47

Mary Ellen Parrish

And we approved the plan, proposed by the third director and the new superintendent, in which they had professional development activities, and all looked very pertinent to their situation. And so this plan was approved.

2016-17

33:06

Mary Ellen Parrish

So we approved for '16-'17, because remember from your earlier presentation we had 27 months for the use of the funds, when the CEIS report was not included, we of course had to backtrack and get all of that. And continued to monitor, got proof of the activities that they had said they were going to conduct, even down to sign-in sheets and time and effort, our timesheet reporting on exact tie-in to their expenditures. And we did not release until all of the filed reports were completed, or all of the reports that they were required to complete, were filed.

In Retrospect

33:57

Mary Ellen Parrish

There were a lot of lessons learned. And this, we could just practically kick off everything that John has said. Due to the late notification, and the fact that we allowed a full year to plan, we however failed on following up and monitoring the activities. In retrospect, if we were to do this over again, we would have been meeting with them much earlier on, we would have explained the situation, the amount of funding to be reserved, or the periods in which it could be used.

We would probably involve CIFR, and we would probably involve the state auditor's office. Because we'd never anticipated in our first venture in this, the pushback we would get from the district. As I said in the second bullet, just follow up, follow up, follow up, get that budget, the plan, who's in charge, meet with the district, and follow up.

The other thing, as I alluded to, the negative reaction from the community and particularly the superintendent and the administrative team of the district was totally unanticipated, and we would look for ways to make this more palatable to a district. We would probably involve more community members in our meetings, and try to really drill into their minds that this is a good step, and would produce better results for students.

And then of course, the third challenge, and it was a challenge, was the three program directors in three years. It was difficult to remember that, oh, a new person's coming on board, so we need to reteach, retrain, and refocus.

Availability of Funds

35:56

Mary Ellen Parrish

Okay, availability of funding, John has talked about that. And yes, when we were asked with the new director that came on in the third year, was there funding available, yes, we did carry it over, and yes, they did complete their activities, and it became a lesson learned for those of us in Washington state and those in that particular district.

Contact Us

36:22

Narrator

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