Dear [INSERT NAME OF EXTERNAL AGENCY HERE]:

As the [POSITION TITLE], I am responsible for collecting and reporting the fiscal data described below to the U.S. Department of Education on behalf of our State. To accurately and completely report this information, I am requesting information from your agency.

Under 34 CFR §300.163, the State must not reduce the amount of State financial support made available to the state educational agency (SEA) or any other state agencies for special education and/or related services pursuant to children's individualized educational program (IEPs) below the amount of support the State provided in the preceding fiscal year. This federal requirement is referred to as Maintenance of State Financial Support (MFS). The Office of Special Education Programs (OSEP) clarified in Memorandum 10-5 on December 2, 2009, that “[t]he reference to ‘State financial support’ in 34 CFR §300.163 is not limited to only the financial support provided to or through the SEA, but encompasses the financial support of all State agencies that provide or pay for special education and related services, as those terms are defined under the IDEA, to children with disabilities.” Annually, the SEA is required to collect, and report to the U.S. Department of Education, relevant fiscal information from all State agencies that receive funds for providing services to children that are specifically required by the children’s IEPs.

The purpose of the enclosed data entry form is to collect this information from your agency. State funds for this reporting year were made available by the legislature beginning (July 1 or October 1), [year] and ending (June 30 or September 30), [year].

Please complete the attached form and include all services supported with State funds that are provided to children with disabilities pursuant to their IEPs. Services that are provided to *all* children, including those with disabilities, but that are not provided pursuant to children’s IEPs should **not** be reported to the SEA, regardless of their funding source.

Some services may be included in a specific child’s IEP but may generally be provided to all children anyway. Assuming such services are supported with State funds, they *should* be included on the enclosed form because they are required by the child’s IEP. If you do not yet have a mechanism to track such services specifically, you can reasonably approximate their costs by using the percentage of children with disabilities who participate in these services and are likely to have them included on their IEPs. You may use this approach until your agency is able to devise a method for accurately tracking and accounting for the actual number of children for whom these services are included on their IEPs.

* If your agency did not expend State funds directly to provide special education or related services to children with disabilities pursuant to the children’s IEPs, please enter “No State Funding Made Available” in the “Description” column and indicate $0 as an amount.
* Some agencies provide services on a fee-for-service basis. For children receiving services required by their IEPs, the fees are paid directly by the local educational agencies (LEAs) using local funds. If the LEAs are using State funds for such fees, the payments should not be documented by your agency on the enclosed form because they will be reported by the SEA as State funds since the SEA provided the State funds to the LEAs.
* Some agencies contract with the SEA to provide services required by students’ IEPs. If this is the only mechanism by which your agency provided services pursuant to IEPs, you may enter “Total State Funding Made Available” in the “Description” column and indicate the total dollar amount.
* If your agency uses state funds for matching purposes under federal awards, please see the enclosed 2011 letter (i.e., “Letter to Morton”) that the U.S. Department of Education, Office of Special Education and Rehabilitative Services, provided in response to a question regarding the “double-counting” of matching funds in the calculation of MFS.

We are requesting that your agency return the completed form/information within 15 days of the completion of the auditing of your financial records for the fiscal year.

Please contact [INSERT SEA CONTACT HERE] if you have questions about this request or form.

Sincerely,

[ENTER SEA CONTACT SIGNATURE HERE]

Enclosure 1: Data Entry Form

Enclosure 2: U.S. Department of Education Letter to Morton (dated February 16, 2011)