

IDEA Part B Allocations to Charter School Local Educational Agencies

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Overview of Today's Webinar

- Introduction
- Charter Schools Vs. Charter School LEAs
- SEA Monitoring
- Base Payment Adjustments
- Closure of Charter School LEAs
- Special Considerations for Charter School LEAs
- State Experiences
- State Discussion

Charter Schools Vs. Charter School LEAs

- A **charter school** is a tuition-free, nonreligious, public school that provides elementary or secondary education as an alternative option to a traditional public school. For accountability purposes, charter schools are authorized by a public agency. (34 CFR §300.7 "Charter school"; 20 U.S.C. 7221i(2))
- A **charter school LEA** is a charter school that is treated as an LEA for purposes of the applicable covered program. (34 CFR §76.787 "Charter school LEA")

Charter Schools Vs. Charter School LEAs

Charter School

- Part of an LEA
- Receives funding through LEA
- May receive resources/services from LEA for children with disabilities
- Minimal autonomy

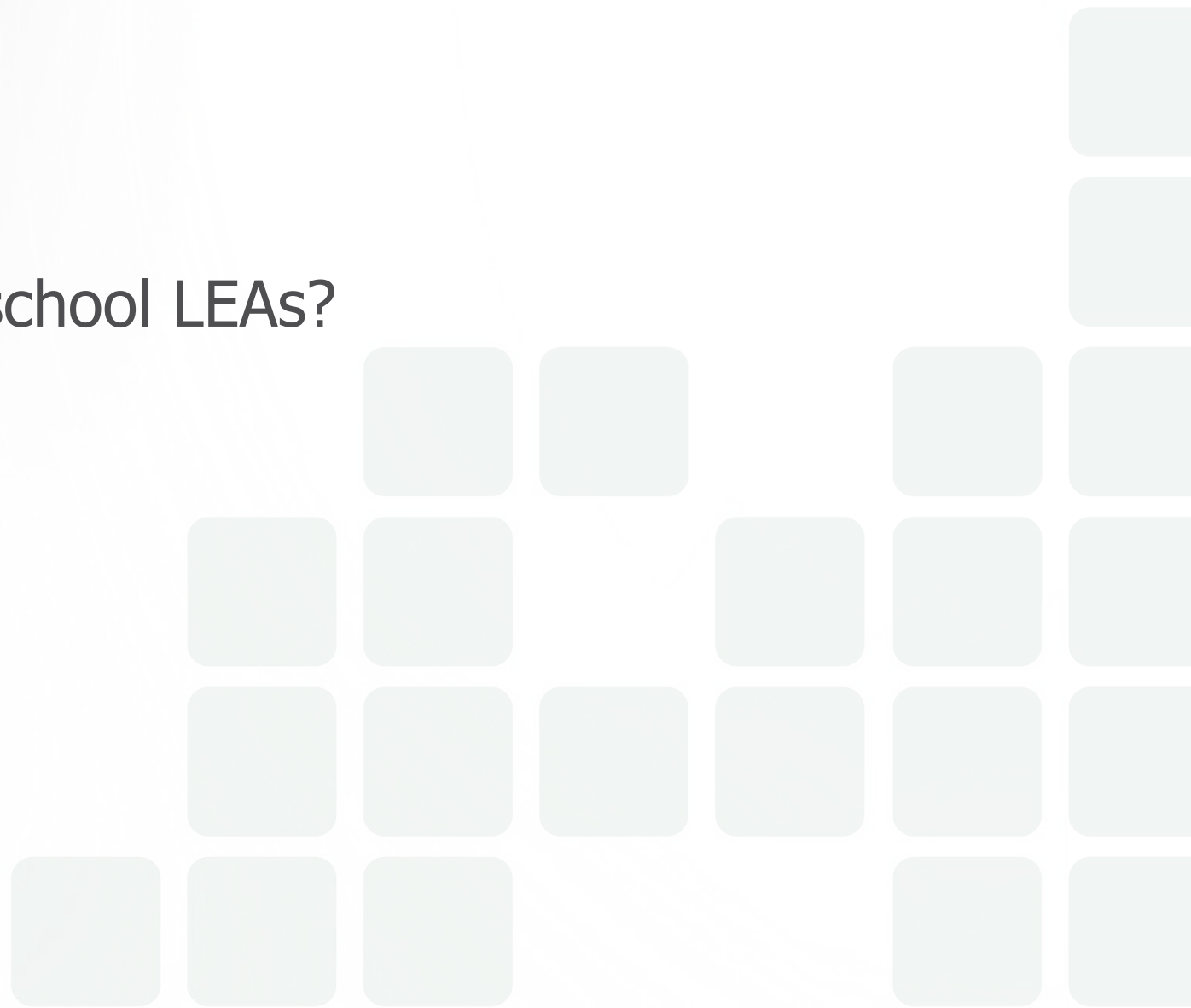
Charter School LEA

- Independent LEA
- Receives funding from state educational agency (SEA)
- Must provide continuum of services for children with disabilities
- Flexibility in program operation

Please Take the Poll

Does your state have charter school LEAs?

If yes, how many?

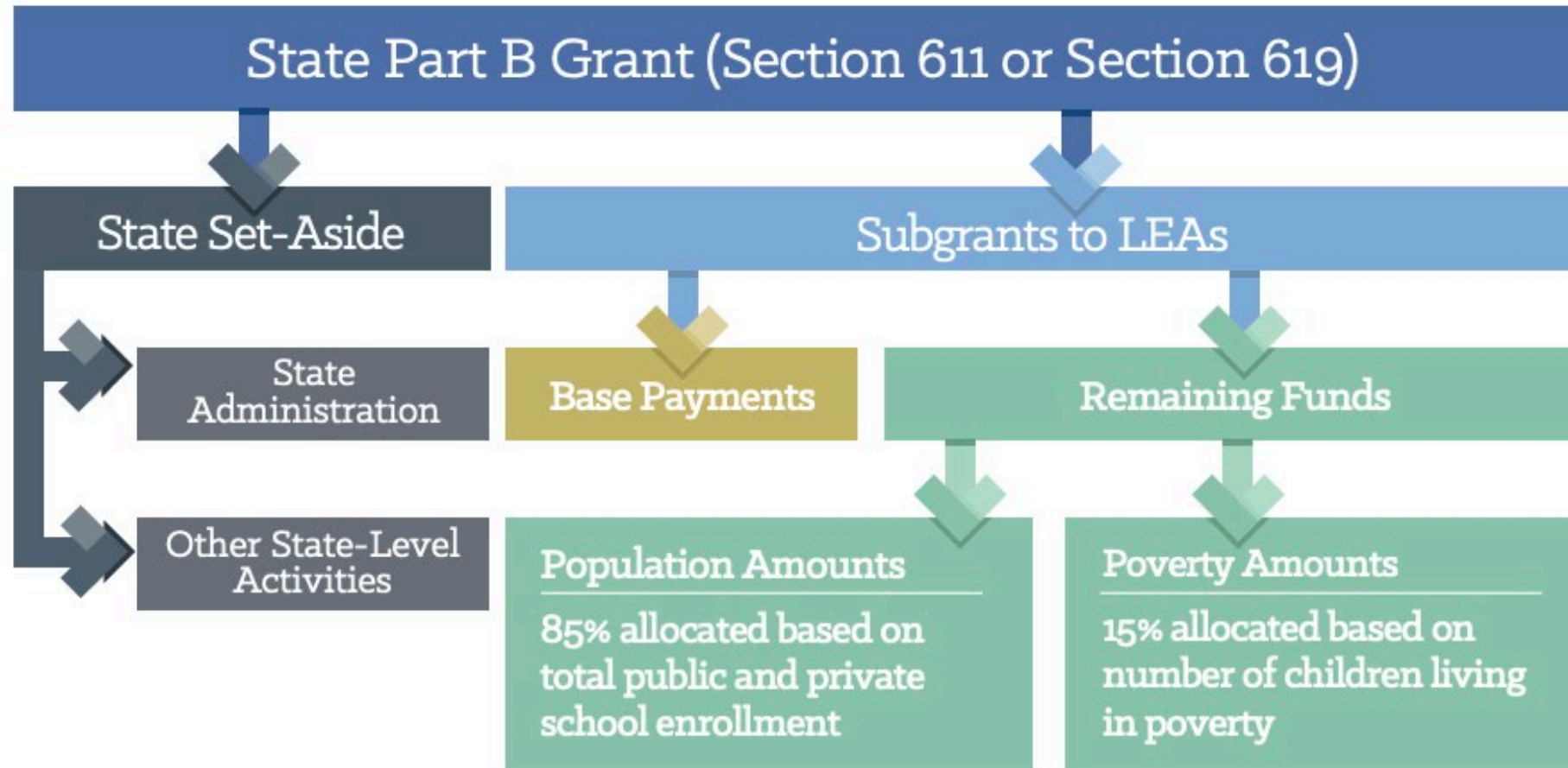


SEA Monitoring of Charter School LEAs

Charter School LEAs:

- Are monitored for fiscal and programmatic compliance in accordance with 2 CFR §§200.329 and 200.332; 2 CFR Part 200, Subpart F; and 34 CFR §§300.149 and 300.600.
- Should be treated the same as traditional LEAs for purposes of monitoring.

IDEA Part B Subgrants Formula



IDEA Part B Base Payments to LEAs

- Section 611 and Section 619 LEA subgrant base payment totals and LEA amounts were set by the 1997 IDEA reauthorization.
- The individual LEA base payment amounts stay the same from year to year unless adjustments are required.
- For Section 619 ONLY: If the state's Section 619 state grant falls below 1997 appropriations amount, special circumstances apply.

Base Payment Adjustments for Charter School LEAs

Circumstances that require adjustments:

- A new LEA, including a new charter school LEA, is created.
- Two or more LEAs change administrative responsibility for providing services to children (including as a result of one or more of the LEAs closing).
- An LEA that had a base payment of zero in its first year of operation (because it did not serve children with disabilities) now serves children with disabilities.
- A charter school LEA significantly expands its enrollment.

Base Payment Adjustments for New or Significantly Expanding Charter School LEAs

- Determine the sending LEAs for students at the new charter school LEA or the students added due to the significant expansion.
- Adjust the base payments of sending LEAs to:
 - create a base payment for a new charter school LEA, or
 - add to the base payment for a significantly expanding charter school LEA.

Implications of the Charter School Expansion Act

The state must ensure that:

- Charter schools receive federal funding not later than 5 months after opening or significantly expanding.
- Charter schools that open after November 1 have a full and fair opportunity to receive funds during the first year of operation.

See 20 U.S.C. §7221e and 34 CFR §76.796

Charter School Expansion Act: Consequences of Allocating Too Little or Too Much

- The SEA must make **appropriate adjustments** to the amount of funds allocated to the charter school LEA as well as to other LEAs.
- Any adjustments to allocations to charter school LEAs must be based on **actual enrollment** or other eligibility data for the charter school LEA on or after the date the charter school LEA first opens or significantly expands, even if allocations or adjustments to allocations to other LEAs in the state are based on enrollment or eligibility data from a prior year.

34 CFR §76.796

Financial Implications of Closing Charter School LEAs

- Base payment adjustment for the subsequent year:
 - The charter school LEA becomes the sending LEA and the charter school LEA's base payment is divided proportionately among LEAs receiving students.
- If the closure happens during a school year:
 - The SEA must follow reallocation procedures to reallocate any unobligated funds to other LEAs that are not adequately providing special education and related services or retain the funds for use at the state level (up to the SEA's maximum amount).

Charter School LEAs and Section 619 Allocations

Section 619 allocations are for children ages 3–5, not necessarily preschoolers.

- Base payment
 - Charter school LEAs should receive a base payment for Section 619 if they are serving any child with a disability ages 3–5, including 5-year-olds in kindergarten.
- Population and Poverty
 - Charter school LEAs should receive an allocation for population and poverty for Section 619 if they are serving children ages 3–5, including 5-year-olds in kindergarten.

Use of IDEA Part B Funds by Charter School LEAs

Uniform Grant Guidance: 2 CFR §200.403

- Necessary, reasonable, and allocable to the program
- Consistent with policies and procedures
- Consistent in treatment (i.e., indirect cost)
- Not a cost used to meet other cost sharing or matching requirements
- Adequately documented
- Incurred during the approved budget period

Use of IDEA Part B Funds by Charter School LEAs

IDEA: 34 CFR §300.202

- Must be used only to pay the excess costs of providing special education and related services to children with disabilities.
- Must be used to supplement state, local, and other federal funds and not to supplant those funds.

State Experience With Charter School LEAs: Ohio and Arizona

Ohio

- Sarah James
 - Assistant Director, IDEA Resource Management, Office of Fiscal Administration, Ohio Department of Education and Workforce
- Mark Lynskey
 - Education Program Specialist, IDEA Resource Management, Office of Fiscal Administration, Ohio Department of Education and Workforce



**Department of
Education &
Workforce**

Community Schools and Ohio

- Traditional Public Districts: 610
 - K-12 Enrollment: 1,460,920
 - Preschool: 47,076
 - Students with Disabilities: 238,491
- Community Schools: 344
 - K-12 Enrollment: 119,618
 - Preschool: less than 50
 - Students with Disabilities: 19,616
 - Significant Expansion: five this year
 - New: 12 this fiscal year
 - Closures: six in the past fiscal year



Successes and Challenges

- Significant Expansion – identification of schools and deadlines
- Maintenance of Effort
- Ongoing Sponsor Calls
- Use of 619 funds
- CCEIS and unique populations



**Department of
Education &
Workforce**

Arizona Department of Education, Exceptional Student Services

Candice Trainor, Director of Finance

Program Management

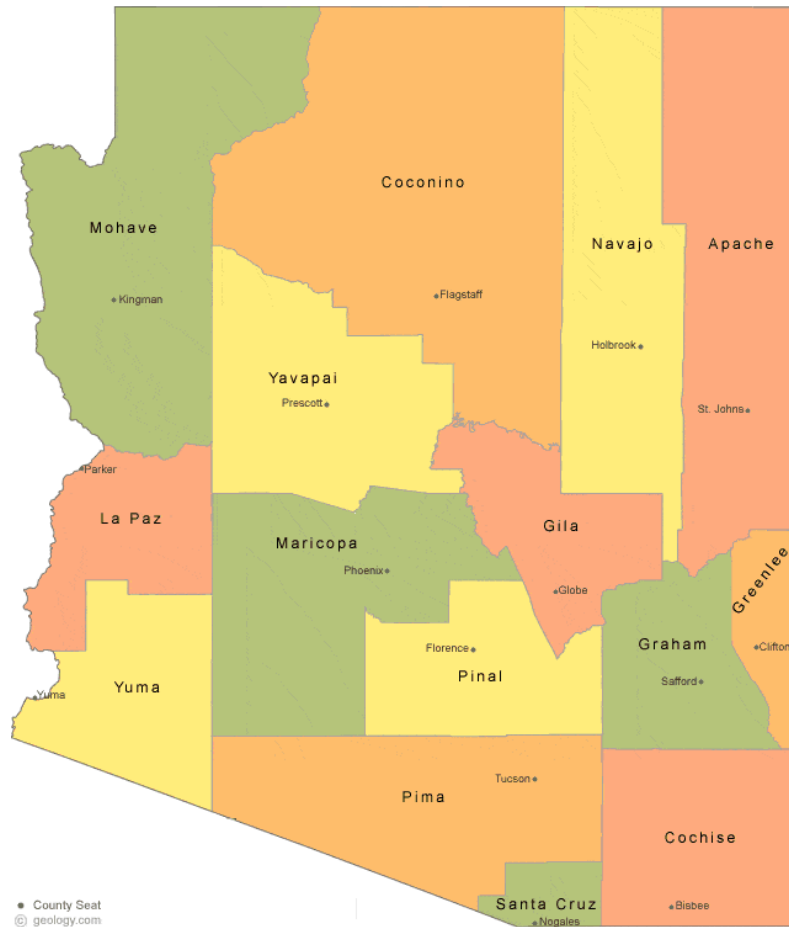
- 4 Program Specialists
- 3 SEA Directors
- Programmatic Approval, Allowable Costs, and Maintenance of Effort

Grants Management

- Fiscal Processing and Monitoring



Charter LEAs



In FY 2022:

- 423 charters
- 208 districts

On 10/01/2021:

- 22,124 CWD in charters
- 123,147 CWD in districts
- Note: Charters *can-* but do not currently- serve preschool CWD.

Issues, Challenges, and Successes

New, Expanding, and Closed Charters

- Point person for new, expanding, and closing charters
- Allocation adjustments in February based on updated October 1 data
- Arizona has two authorizers for charters:
 1. Arizona State Board for Charter Schools (ASBCS)
 2. Arizona State University

New/Expanding Charter Schools

34 CFR Part 76, Subpart H describes how charters can receive IDEA Entitlement funds. The ADE (Arizona Department of Education) requires that a charter notify ESS (Exceptional Student Services) in order to obtain an allocation or an expansion to an allocation in the same year that the respective event occurs. Any entities participating in this process will be worked into the IDEA Basic grant application. *(The Charter School Expansion Act Grant is no longer used)*

▶ Notice and Information

▶ ADE's Responsibilities

▶ Significant Expansion

<http://www.azed.gov/specialeducation/operations>

Issues, Challenges, and Successes (continued)

Profit vs. Non-Profit Charters

- All Charter LEAs are responsible for providing services under the IDEA, but only non-profit charters are eligible for grant funds.
- Changes to profit status in the middle of the school year are treated as a new charter, and allocations are established on a pro-rata basis.

Section 619 – Preschool Subgrants

- In FY20, 178 LEAs waived \$189,721
- In FY24, 100 LEAs waived \$75,131
- ESS Program Management changed messaging to ensure LEAs understood that kindergarten students were eligible for 619 funding.

State Discussion: Questions to Consider

- What is the situation in your state? Do you have charter school LEAs? If you don't, is this something that might happen in the future?
- What fiscal challenges have you encountered with charter school LEAs?
- What solutions have you found for addressing fiscal challenges with charter school LEAs?



Resources

- [34 CFR Part 76 Subpart H: “How Does a State or Local Educational Agency Allocate Funds to 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*](#)
- CIFR’s [IDEA Part B Subgrant Base Payment Adjustment Calculators](#)
- CIFR Practice Guide: [*Examples of Adjustments to IDEA Subgrant Base Payments for Local Educational Agencies*](#)

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