

Special Education Allowable Use of Funds

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MISSISSIPPI
DEPARTMENT OF
EDUCATION

June 9, 2021



State Board of Education STRATEGIC PLAN GOALS

2



1

ALL Students Proficient and Showing Growth in All Assessed Areas



2

EVERY Student Graduates from High School and is Ready for College and Career



3

EVERY Child Has Access to a High-Quality Early Childhood Program

EVERY School Has Effective Teachers and Leaders

4



EVERY Community Effectively Uses a World-Class Data System to Improve Student Outcomes

5



EVERY School and District is Rated "C" or Higher

6



VISION

To create a world-class educational system that gives students the knowledge and skills to be successful in college and the workforce, and to flourish as parents and citizens

MISSION

To provide leadership through the development of policy and accountability systems so that all students are prepared to compete in the global community





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Continued Professional Education (CPE) Credits

- WestEd is certified by the National Association of State Boards of Accountancy (NASBA) as a CPE sponsor
- *Private School Proportionate Share* session participants are eligible to receive 2 CPE hours
- Participants are eligible to receive up to 4 CPE hours for today's sessions
- Interested participants must respond to the polls and provide their name and email address in the evaluation survey



Understanding of critical federal and state regulations governing the allowable use of funds in Special Education

Locate and tag related resources

Understanding the concepts of obligation and period of performance

Develop the ability to use a decision tree to determine allowability of costs

1. Regulations Governing Allowable Use of Funds
2. Factors Determining Allowable Costs
3. Obligations of Funds
4. Allowable Cost Decision Trees
5. Do It Yourself (Test Your Knowledge)
6. Resources

How would you rate your knowledge of allowable use of funds under IDEA?

- a. Very strong
- b. Strong
- c. Fair
- d. Weak

- U.S.C. – United States Code
- CFR – Code of Federal Regulation
- IDEA – Individuals with Disabilities Education Act
- EDGAR – Education Department General Administrative Regulations
- SWD – Students with Disabilities
- LEA – Local Educational Agency
- UGG – Uniform Grant Guidance
- FFP – Federal Financial Participation



Introduction

Regulations Governing
Allowable Use of Funds



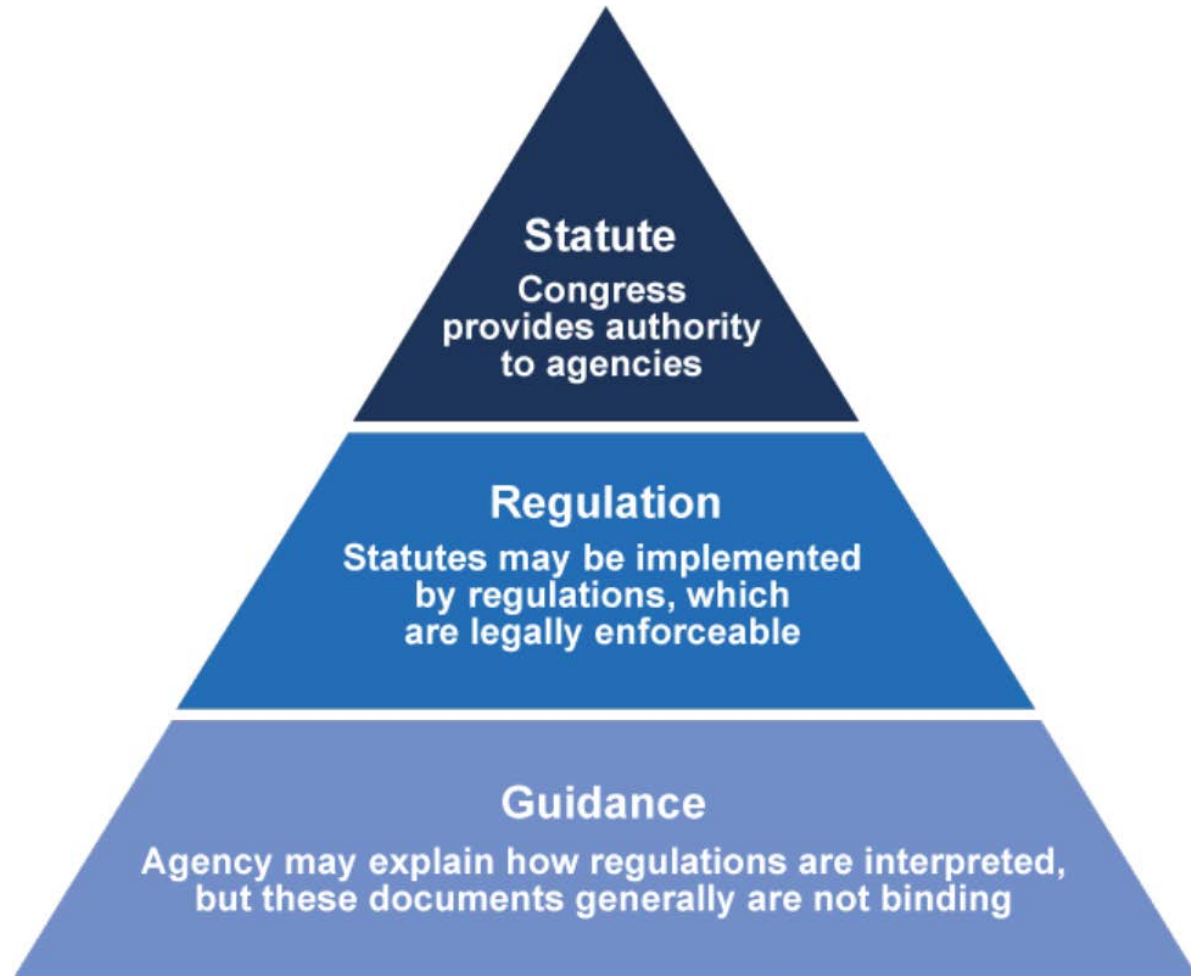
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Federal Regulations

Understanding the Structure



- A United States Code (U.S.C.) is a law that has been passed by the US Congress
- A Code of Federal Regulation (CFR) is the interpretation of the law by the relevant federal agency
- A non-regulatory guidance is the interpretation of the regulation by the relevant federal agency



Title 20 USC Chapter 33 IDEA Part B



34 CFR Part 300



Education Department General Administrative Regulations (EDGAR)

Uniform Grant Guidance

2 CFR Part 200 ; Part 180 ; Part 3474 & Part 3485

State Program Administration Regulations

34 CFR Part 75-79.81.82.84.86 & 97-99



Mississippi Policies and Procedures

Mississippi Code

Uniform Grant Guidance

2 CFR Part 200 <https://www.ecfr.gov/cgi-bin/text-idx?SID=f080fea46490dccbb02e001a35c396ce&mc=true&node=pt2.1.200&rgn=div5>

Part 180 <https://www.ecfr.gov/cgi-bin/text-idx?SID=873ca4f329bb04dea67175bc0c68b8a8&node=pt2.1.180&rgn=div5>

Part 3474 <https://www.ecfr.gov/cgi-bin/text-idx?SID=be24d843a89f91b635618eb7a061c560&node=pt2.1.3474&rgn=div5>

& Part 3485 <https://www.ecfr.gov/cgi-bin/text-idx?SID=873ca4f329bb04dea67175bc0c68b8a8&node=pt2.1.3485&rgn=div5>

State Program Administration Regulations

34 CFR Part 75-79.81.82.84.86 & 97-99 https://www.ecfr.gov/cgi-bin/text-idx?SID=b3b062c3fe6a43af238f55767361c03f&mc=true&tpl=/ecfrbrowse/Title34/34cfrv1_02.tpl#0

Which one of the following is a state or federal law and/or regulation governing the Allowable Use of Funds under IDEA?

- a. IDEA
- b. EDGAR
- c. Mississippi Code
- d. All the above

Allowability of Costs

Factors for
determining
allowability under
IDEA and EDGAR



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34 CFR §300.202 https://www.ecfr.gov/cgi-bin/text-idx?SID=31556a1e56ec33f1bf7a5895187f2bae&mc=true&node=se34.2.300_1202&rgn=div8

- 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.

34 CFR §300.202(b) https://www.ecfr.gov/cgi-bin/text-idx?SID=31556a1e56ec33f1bf7a5895187f2bae&mc=true&node=se34.2.300_1202&rgn=div8

- Prevents an LEA from using IDEA funds to pay for all of the costs directly attributable to the education of a child with a disability.
- Does not prevent an LEA from using Part B funds to pay for all of the costs directly attributable to the education of a child with a disability, if no local or State funds are available for nondisabled children of these ages.
- However, the LEA must comply with the nonsupplanting and other IDEA requirements.

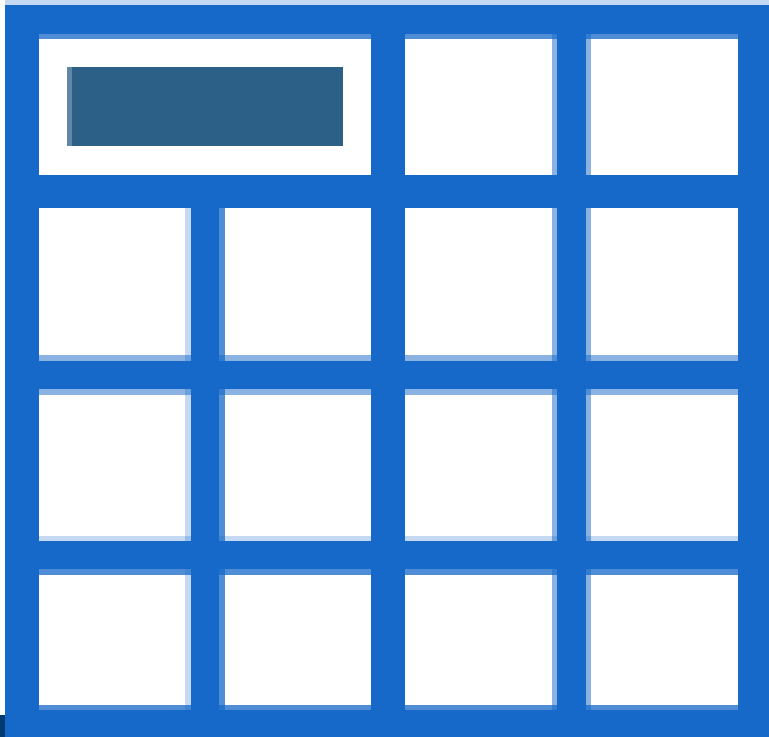
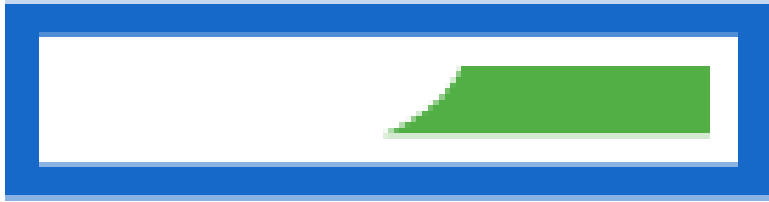
34 CFR §300.164 Waiver of the Requirement

https://www.ecfr.gov/cgi-bin/text-idx?SID=2fc90990ee53c6855561e594cc926c3d&mc=true&node=se34.2.300_1164&rgn=div8

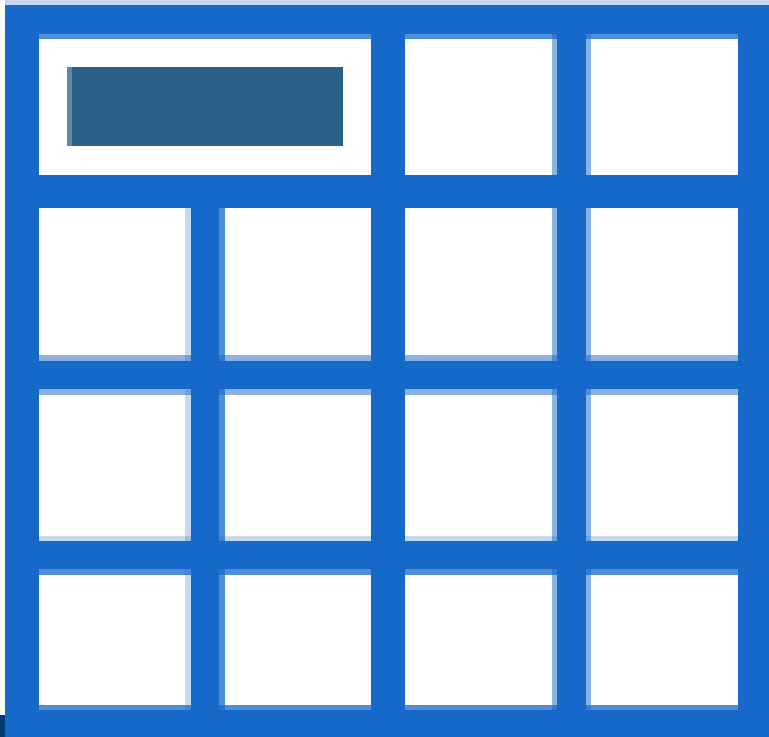
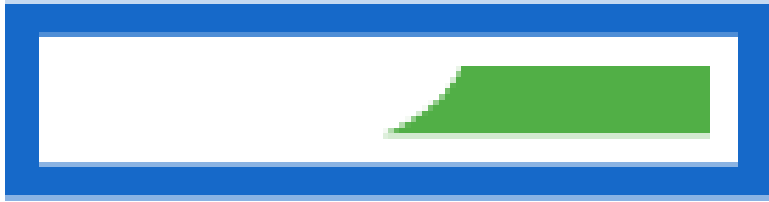
- Funds paid to a State under Part B of the Act must be used to supplement and not supplant other Federal, State, and local funds expended for special education and related services.
- Except as provided under 34 CFR §300.202 through 300.205 which cover Use of Amount and LEA MOE.

2 CFR §200.403 https://www.ecfr.gov/cgi-bin/text-idx?SID=0b9b061c38129b571ed195b3009204ed&mc=true&node=se2.1.200_1403&rgn=div8

- Necessary, reasonable and allocable to the special education program
- Consistent with policies and procedures.
- Consistency of treatment i.e., indirect cost.
- Not a cost used to meet other cost sharing or matching requirements.
- Be adequately documented.
- Incurred during the approved budget period



- A cost is necessary if it is helpful and appropriate for your program or activities IRS Definition Publication 535 <https://www.irs.gov/publications/p535>
- A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under similar circumstances.
- A cost is allocable to a particular Federal award if the goods or services involved are chargeable or assignable to that Federal award in accordance with relative benefits received.



- Consistency of treatment of a cost. If a secretary salary is treated as an indirect cost for one federal grant, it cannot be treated as direct cost for IDEA.
- Cost not used to meet other cost sharing or matching requirements. IDEA federal expenditures cannot be used for Medicaid state match.
- Adequate documentation. A cost must be supported by invoice, purchase order, contracts or time and effort for salaries.

Which of the following is not a criteria for allowable costs under Uniform Grant Guidance?

- a) Reasonable and necessary
- b) Consistent treatment
- c) Allocable and adequately documented
- d) Less expensive

Obligation of Funds

Individuals with Disabilities
Education Act (IDEA) and
Education Department
General Administrative
Regulations (EDGAR)
Requirements



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2 CFR §200.71 https://www.ecfr.gov/cgi-bin/text-idx?SID=38468baccfca7c7f631aafb931ecd03&mc=true&node=se2.1.200_171&rgn=div8

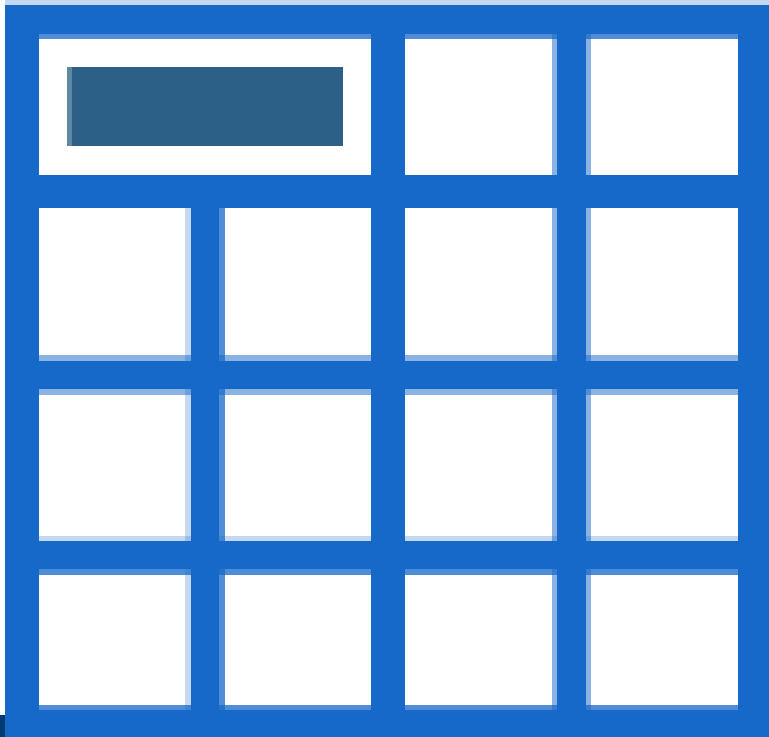
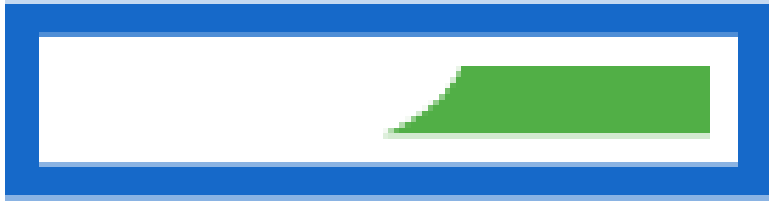
Obligations are orders placed for property and services, contracts and subawards made, and similar transactions during a given period that require payment by the non-Federal entity during the same or a future period.

34 CFR §76.708 https://www.ecfr.gov/cgi-bin/text-idx?SID=d9bc60630a35d6b255e342852816f45a&mc=true&node=pt34.1.76&rgn=div5#se34.1.76_1704

- LEA may start to obligate funds from the later of the following two dates:
 - The date that the State may begin to obligate funds.
 - The date that the LEA submits its application to the State in substantially approvable form.
- SEA may not reimburse an LEA for obligations until a final approval of the application.

34 CFR §76.707 https://www.ecfr.gov/cgi-bin/text-idx?SID=d9bc60630a35d6b255e342852816f45a&mc=true&node=pt34.1.76&rgn=div5#se34.1.76_1704

If the obligation is for—	The obligation is made—
(a) Acquisition of real or personal property	On the date on which the State or subgrantee makes a binding written commitment to acquire the property.
(b) Personal services by an employee of the State or subgrantee	When the services are performed.
(c) Personal services by a contractor who is not an employee of the State or subgrantee	On the date on which the State or subgrantee makes a binding written commitment to obtain the services.
(d) Performance of work other than personal services	On the date on which the State or subgrantee makes a binding written commitment to obtain the work.
(e) Public utility services	When the State or subgrantee receives the services.
(f) Travel	When the travel is taken.
(g) Rental of real or personal property	When the State or subgrantee uses the property.



- Expenditures incurred during the approved budget period.
- Obligations must occur during the performance period of the grant.

What is a period of performance?

2 CFR §200.77 https://www.ecfr.gov/cgi-bin/text-idx?SID=5f8bcc36a995b050d2a18efc87ecbd8f&mc=true&node=se2.1.200_177&rgn=div8

- Period of performance means the time during which the non-Federal entity may incur new obligations to carry out the work authorized under the Federal award.

Period of Performance is a 27-month period when LEA can obligate IDEA funds and includes:

- **Forward Funding Period** of three (3) months: July 1, 2020 - September 30, 2020.
- **Award Year Funding Period** of twelve (12) months: October 1, 2020 - September 30, 2021.
- **Tydings Funding Period** of twelve (12) months period carry over for expenses not obligated in the fiscal year for which they were appropriated: October 1, 2021 - September 30, 2022.

PERIOD OF PERFORMANCE											
Forward			Award Year			Tydings					

How long is the IDEA performance period?

- a. Three (3) months Forward Funding Period
- b. Twelve (12) months Award Year Funding Period
- c. Twelve (12) months Tydings Period for carry over
- d. Twenty-seven (27) months

Allowable Cost Decision Trees

Decision Matrix in
Three (3) Steps



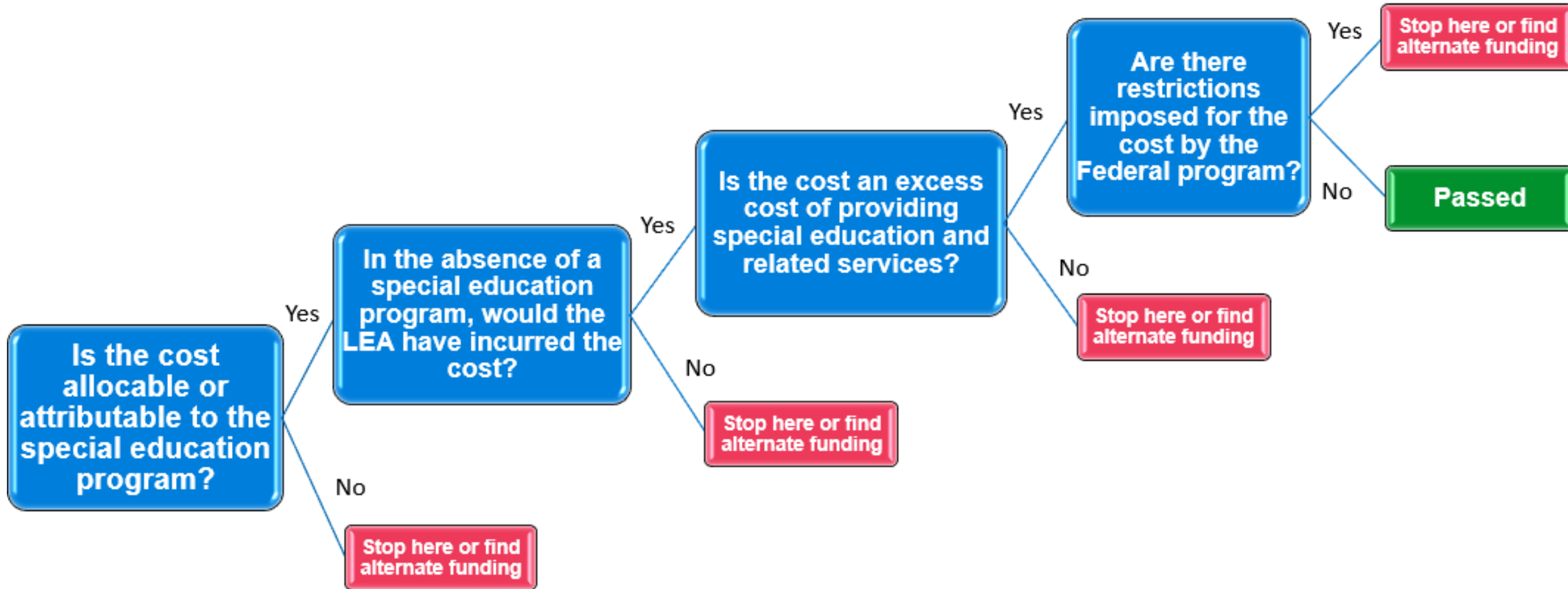
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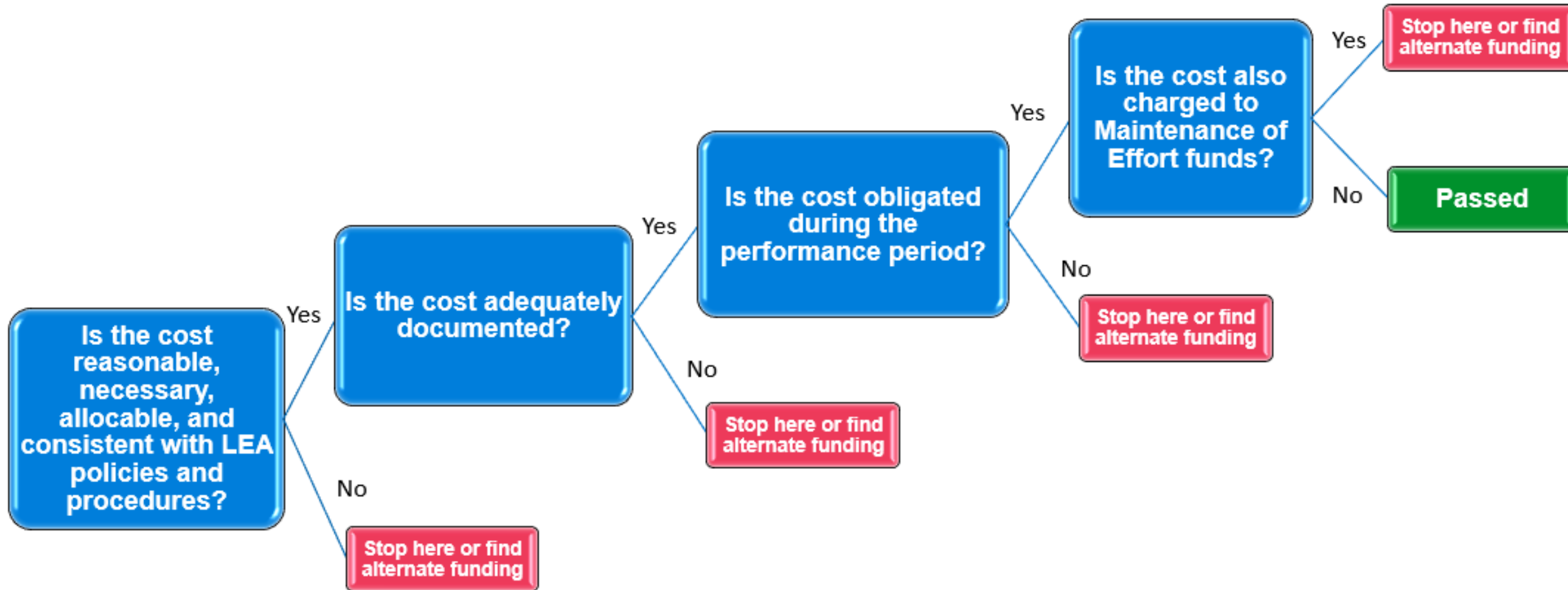
An LEA wants to buy a helicopter for a child with disabilities in a special education program. Is this an allowable expense for IDEA Part B funds?

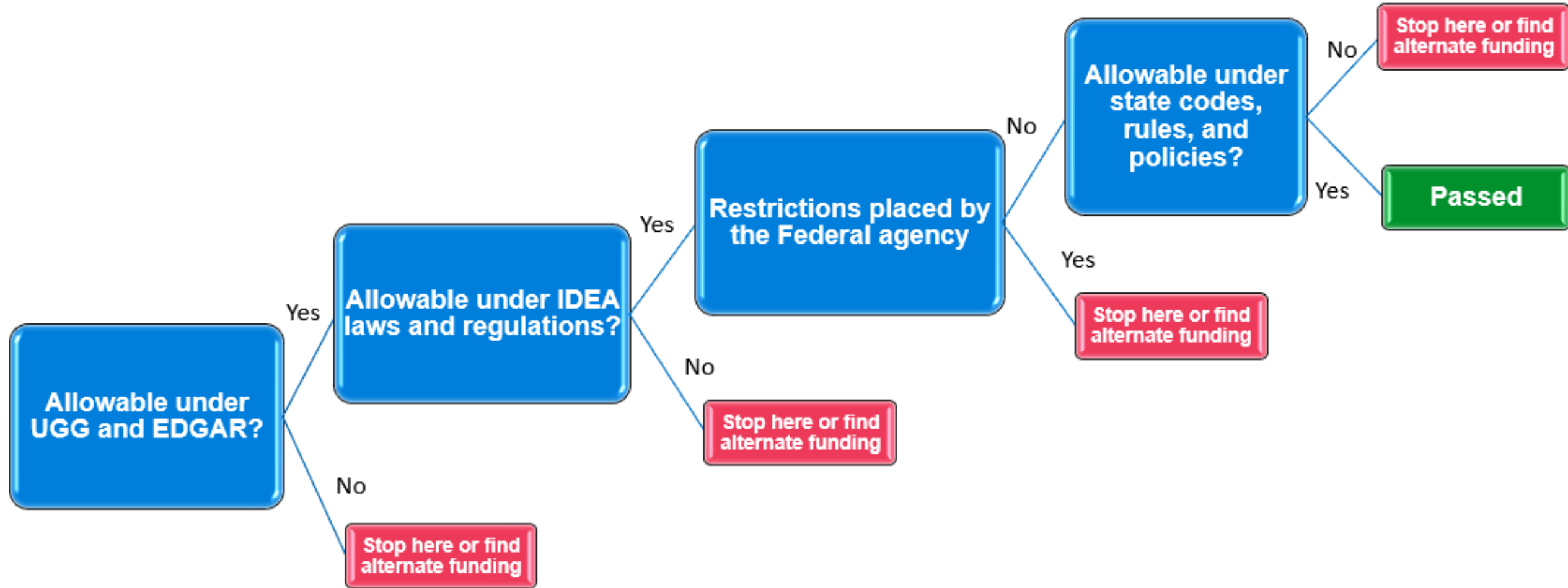
- a. Yes
- b. No
- c. It depends

- Allowable use of funds framework
- Three (3) steps decision matrix
- Decision trees will help gather necessary information to make an informed decision

Let's take a look!







Do It Yourself

Practice Your
Knowledge with a
Decision Matrix

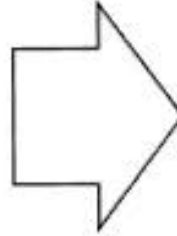


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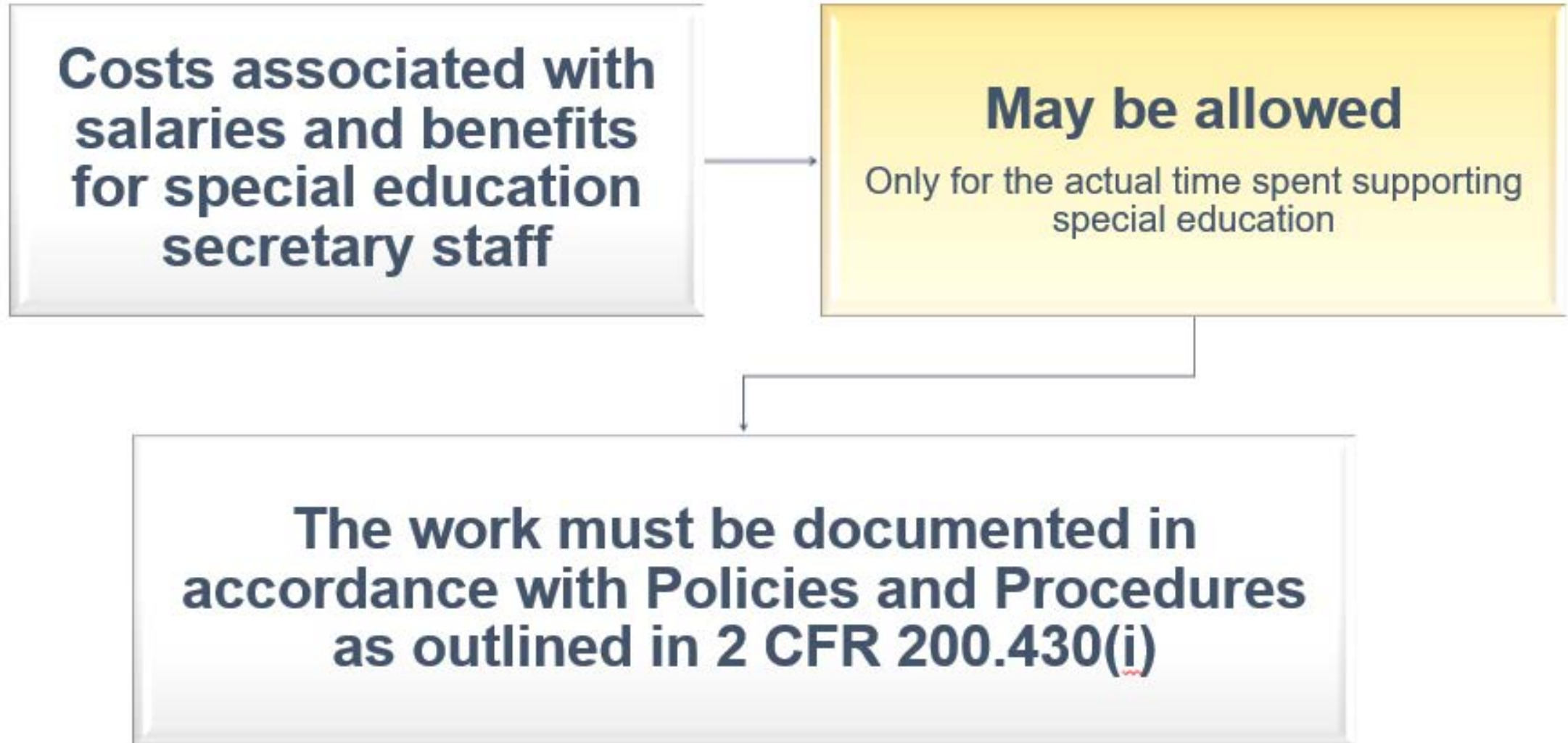
Allowable Use of IDEA Funds - Services

Test Your Knowledge

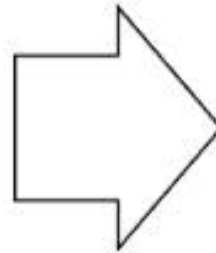
**Cost associated with
salaries and benefits
of Special Education
Director, Teacher,
Paraprofessional**



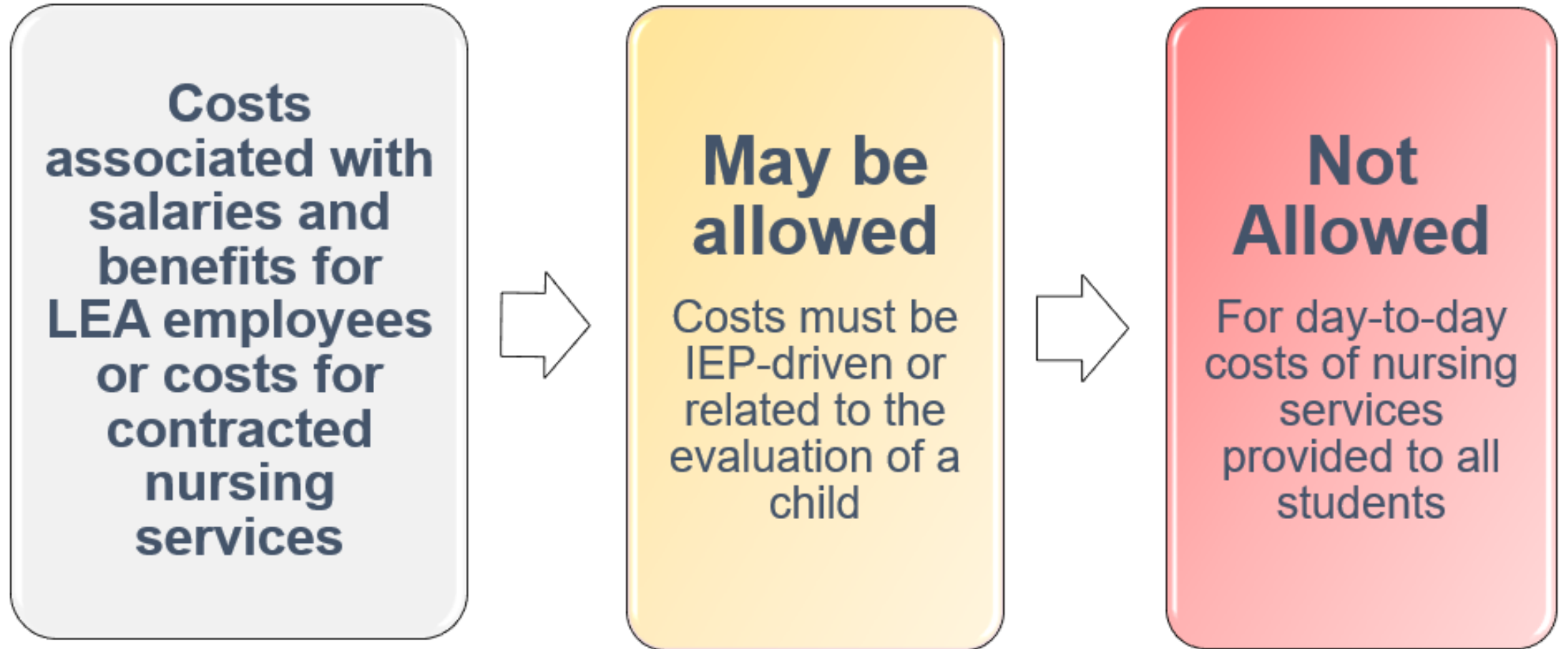
Allowed



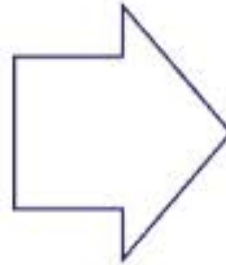
**Costs associated
with salaries and
benefits for LEA
employees or costs
for contracted OT
services**



Allowed

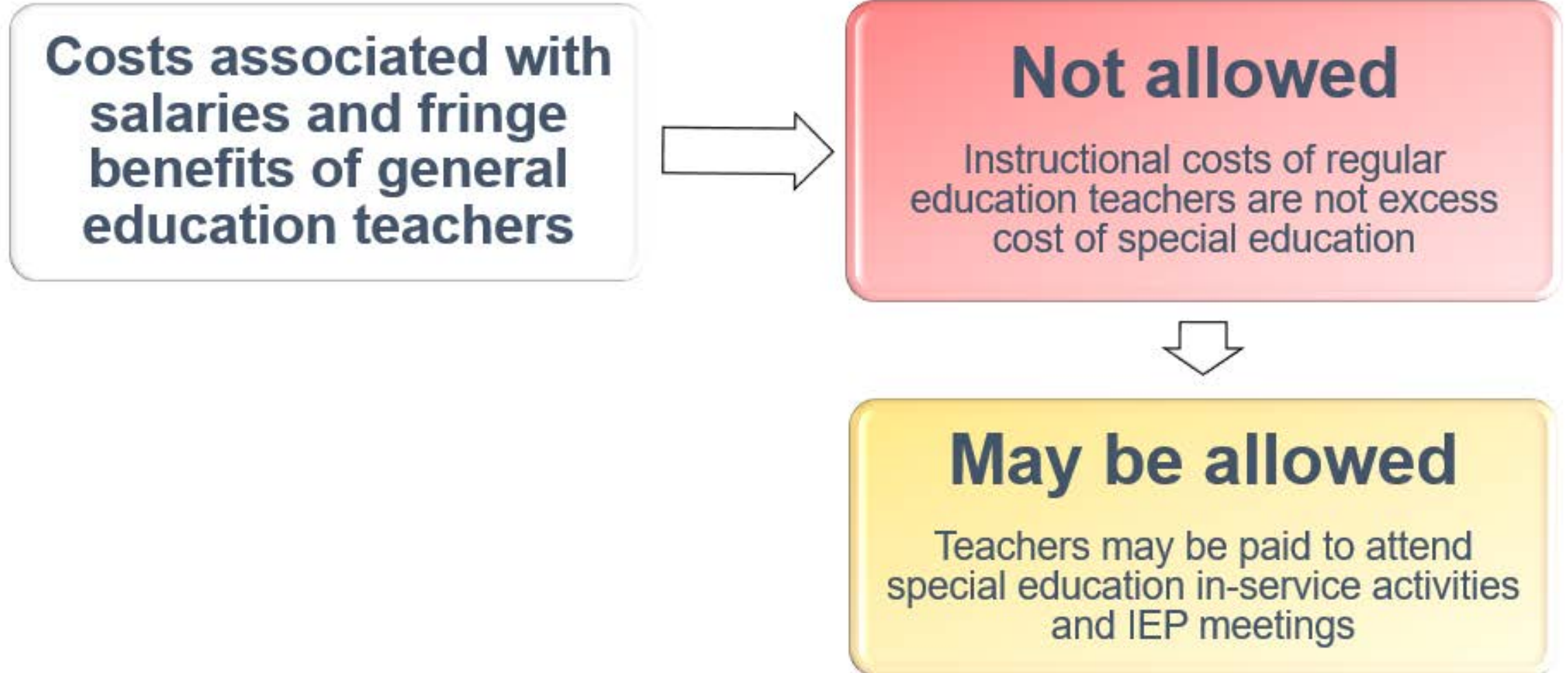


**Costs associated
with salaries and
fringe benefits of
superintendent**

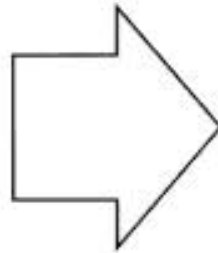


Not allowed

It is not an excess cost of
special education. LEAs
have administrators
regardless



**Costs associated
with salaries and
fringe benefits of
business manager**



Not allowed

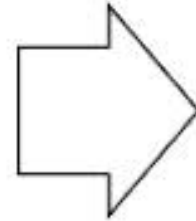
Not a direct cost of the
program

2 CFR 200.413

Allowable Use of IDEA Funds Equipment

Test Your Knowledge

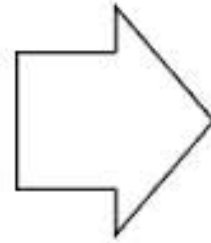
**Costs associated with
the purchase and
installation**



May be allowed

Only if purchase and installation
of automatic door openers is
needed to provide access for a
child with a disability

**Costs of equipment
to support special
education and related
services**

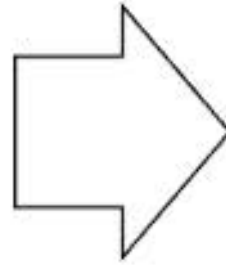


May be allowed

MDE OSE prior approval needed.
Capital equipment is equipment
with a useful life of more than one
year that costs \$5,000 or more
per unit

2 CFR 200.439 (b)(2)

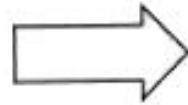
**Costs of equipment
to support special
education and
related services**



Allowed

No prior approval needed for
special education equipment not
meeting the definition of capital
equipment

**Costs of the
acquisition of
computers for
students**



Not allowed

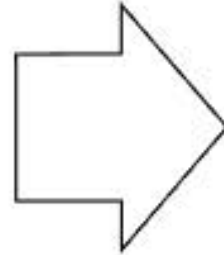
Acquisition of computers are NOT an excess cost, and therefore not allowed if the LEA has decided to equip all classrooms in a school and simply charges the IDEA grant a prorated amount based upon the number of children with disabilities in the school



May be allowed

Computer purchase must be related to a specific need for the education of students with disabilities

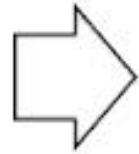
**Costs of the vehicle
purchase or lease,
insurance, repair,
and maintenance**



May be allowed

With MDE prior approval.
Only for vehicle to transport
children with disabilities who
require special assistance in
transportation

**Costs
associated
with
remodeling
due to the
unique needs
of a student or
students with
a disability**



**May be
allowed**

With MDE prior approval: Remodeling costs must be excess costs of special education. Remodeling must meet the needs of one or more children with disabilities
2 CFR 200.439 (b)(1)



**Never
allowed**

Remodeling costs for the general purpose of bringing facilities into compliance with Section 504 and ADA requirements are not allowed

**Costs associated
with accessible
playground
equipment**



May be allowed

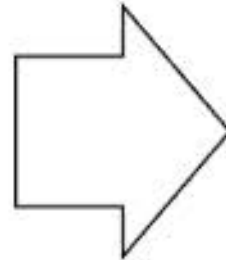
The additional costs of making a playground accessible to children with disabilities are allowed with MDE prior approval. The equipment may be used in a regular education setting, even if one or more nondisabled children benefit

Allowable Use of IDEA Funds

Other Costs

Test Your Knowledge

**Costs of Medicaid
Billable Expenses
Federal Financial
Participation (FFP)**



Never allowed

The costs are already paid with other federal funds so they cannot be charged to IDEA.

Double dipping!!

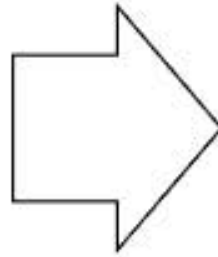
**Costs of state/local share
of Medicaid billable
expenses
State Match**



Not allowed

State match charged to IDEA
is no longer state match
2 CFR 200.403 (f)

**Costs associated
with public
awareness,
notices,
screening**

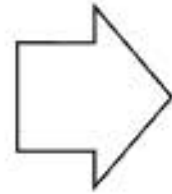


Allowed

Child find activities are allowed for
identification of children with
disabilities

**Costs associated with
advertising in media**

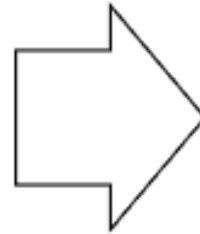
**Newspapers, radio,
and television, direct
mail, exhibits,
electronic or
computer transmittals**



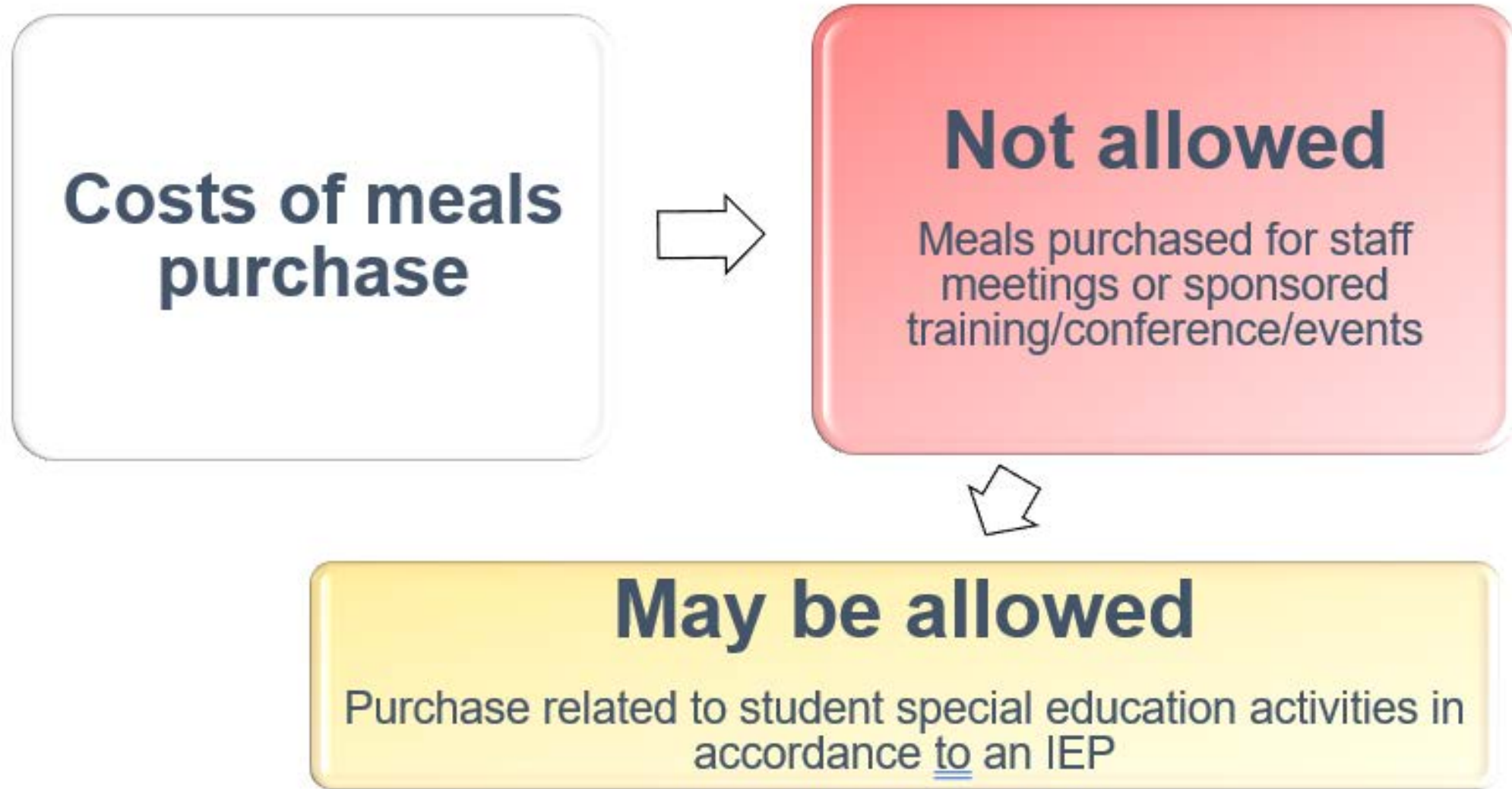
May be allowed

Recruitment of personnel,
procurement of goods and
services, and other specific
purposes necessary to meet the
requirements of the IDEA grant

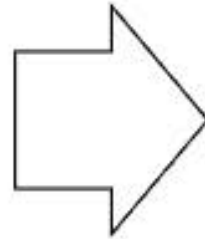
Costs of attorney fees for IDEA state complaints, due process hearings, representation at IEP team meetings, facilitated IEP team meetings, mediation sessions, or any student specific consultation



Not allowed



Costs incurred to benefit more than one program or objective not readily assignable to the programs



May be allowed

If the LEA has a negotiated indirect cost rate

2 CFR 200 Appendix III



How would you rate your knowledge of allowable use of funds under IDEA after this training?

- a. Very strong
- b. Strong
- c. Fair
- d. Weak

Title 20 USC Chapter 33

IDEA Part B - Assistance for Education of All Children with Disabilities <https://sites.ed.gov/idea/statute-chapter-33/subchapter-ii>

34 CFR Part 300

Assistance to States for the Education of Children with Disabilities https://www.ecfr.gov/cgi-bin/text-idx?SID=9b142f0a0e1a4a140bbaa624f84a6501&mc=true&tpl=/ecfrbrowse/Title34/34cfr300_main_02.tpl

2 CFR Part 200

Uniform Administrative Requirements https://www.ecfr.gov/cgi-bin/text-idx?SID=18b37e9792154cb7ea3557abe90f772e&mc=true&tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl

34 CFR Part 75-79

Education Department General Administrative Regulations (EDGAR) <https://www.ecfr.gov/cgi-bin/text-idx?gp=&SID=725b3f403a76c954636d22792cec80ad&mc=true&tpl=/ecfrbrowse/Title34/34subtitleA.tpl>

Thank you

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