



New Special Education Director Call

Office of Enhancing Student Opportunities

January 13, 2022

Today's Agenda

- Welcome/Introductions
- Special Education Funding: Overview of Essential Elements

Land Acknowledgement

I would like to acknowledge the many tribes and bands who call Oregon their ancestral territory and honor the ongoing relationship between the land, plants, animals and people indigenous to this place we now call Oregon. We recognize the continued sovereignty of the nine federally recognized tribes who have ties to this place and thank them for continuing to teach us how we might all be here together.

Oregon Department of Education

Education Equity Stance

Education equity is the equitable implementation of policy, practices, procedures, and legislation that translates into resource allocation, education rigor, and opportunities for historically and currently marginalized youth, students, and families including civil rights protected classes. This means the restructuring and dismantling of systems and institutions that create the dichotomy of beneficiaries and the oppressed and marginalized.

OESO Support

- Brad Lenhardt
 - brad.lenhardt@state.or.us
- Your County Contact
- OESO Staff
-  Follow us on Twitter! @ORDeptEd





Special Education Funding

Overview of Essential Elements

New Special Education Directors

January 2022

Agenda

- Overview of Oregon Special Education Funding
- Federal IDEA Part B and Preschool Funding
- Compliance Requirements

IDEA Finance Team

Who are we, and what do we do?

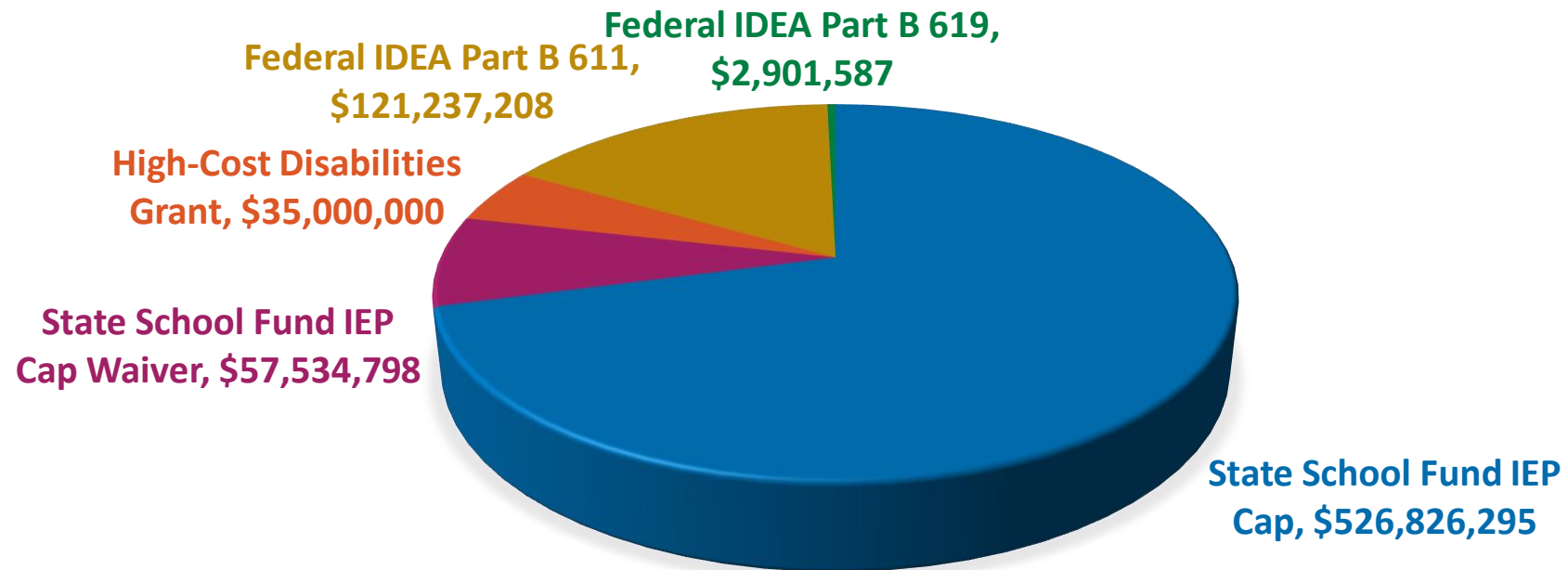
- Oversee Federal Funds for IDEA Part B
- Approve LEA grant applications
- Process reimbursement requests
- Fiscal Monitoring of sub-recipients



Oregon Special Education Funding Sources

Total Funding (2019-20)
\$526,826,295

Special Education Funding 2019-20





Federal IDEA Part B and Preschool Funding

Individuals with Disabilities Education Act (IDEA)

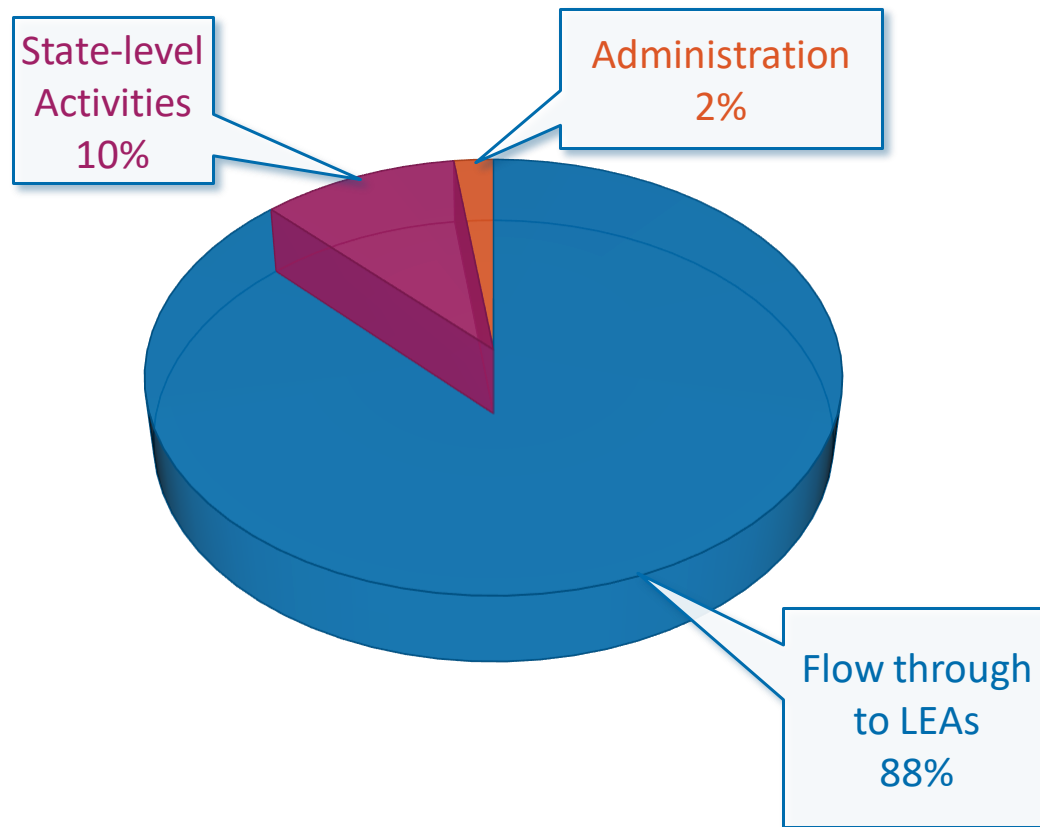
IDEA Part B Section 611 and Section 619 (Preschool) Federal Grant Funds

- Oregon receives federal funding annually from the U.S. Department of Education.
- The purpose is to assist states in meeting the costs of providing special education and related services to children with disabilities.
- Allocations are determined according to a formula outlined in IDEA law.
- Funding is subject to certain eligibility requirements and other conditions, as outlined in IDEA regulations

IDEA Part B Federal Grants

- Section 611 – School Age
 - Funds for children with disabilities ages 3 through 21
- Section 619 – Preschool
 - Funds for children with disabilities ages 3 through 5

IDEA Part B Fiscal Year 2019-20



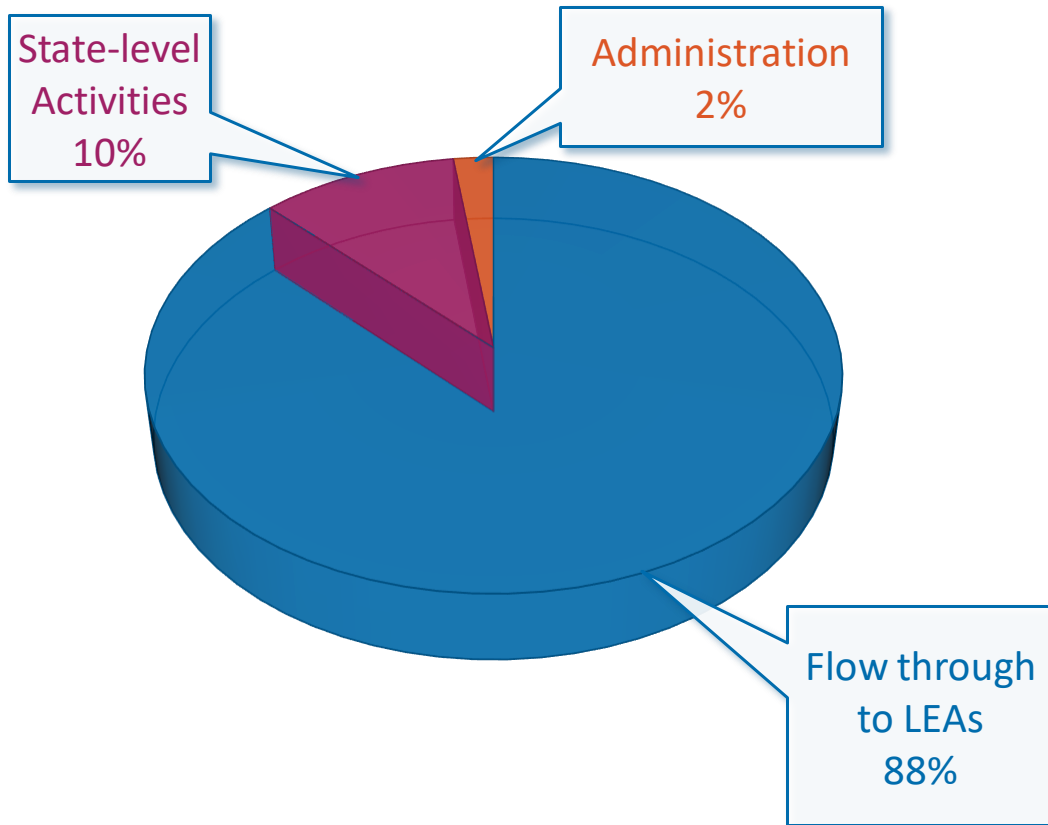
FY 2019-20 IDEA Part B 611

- Total: \$135,895,210
- Administration: \$2,681,963
- State-level Activities: \$13,576,039
- Flow through to LEAs: \$119,637,208

FY 2019-20 IDEA Part B 619

- Total: \$3,936,801
- Administration: \$207,042
- State-Level Activities: \$828,172
- Flow through to LEAs: \$2,901,587

IDEA Part B Fiscal Year 2020-21



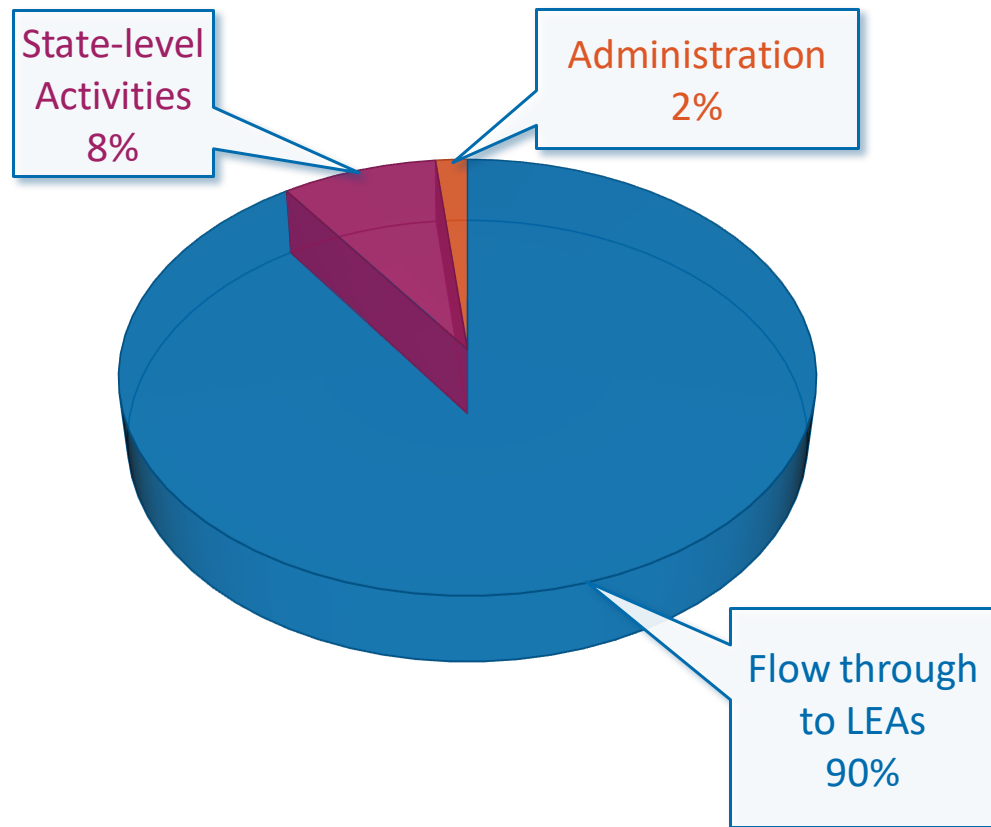
FY 2020-21 IDEA Part B 611

- Total: \$136,478,752
- Administration: \$2,730,482
- State-level Activities: \$13,721,639
- Flow through to LEAs: \$120,026,631

FY 2020-21 IDEA Part B 619

- Total: \$3,963,978
- Administration: \$208,814
- State-Level Activities: \$825,260
- Flow through to LEAs: \$2,929,904

IDEA Part B Fiscal Year 2021-22



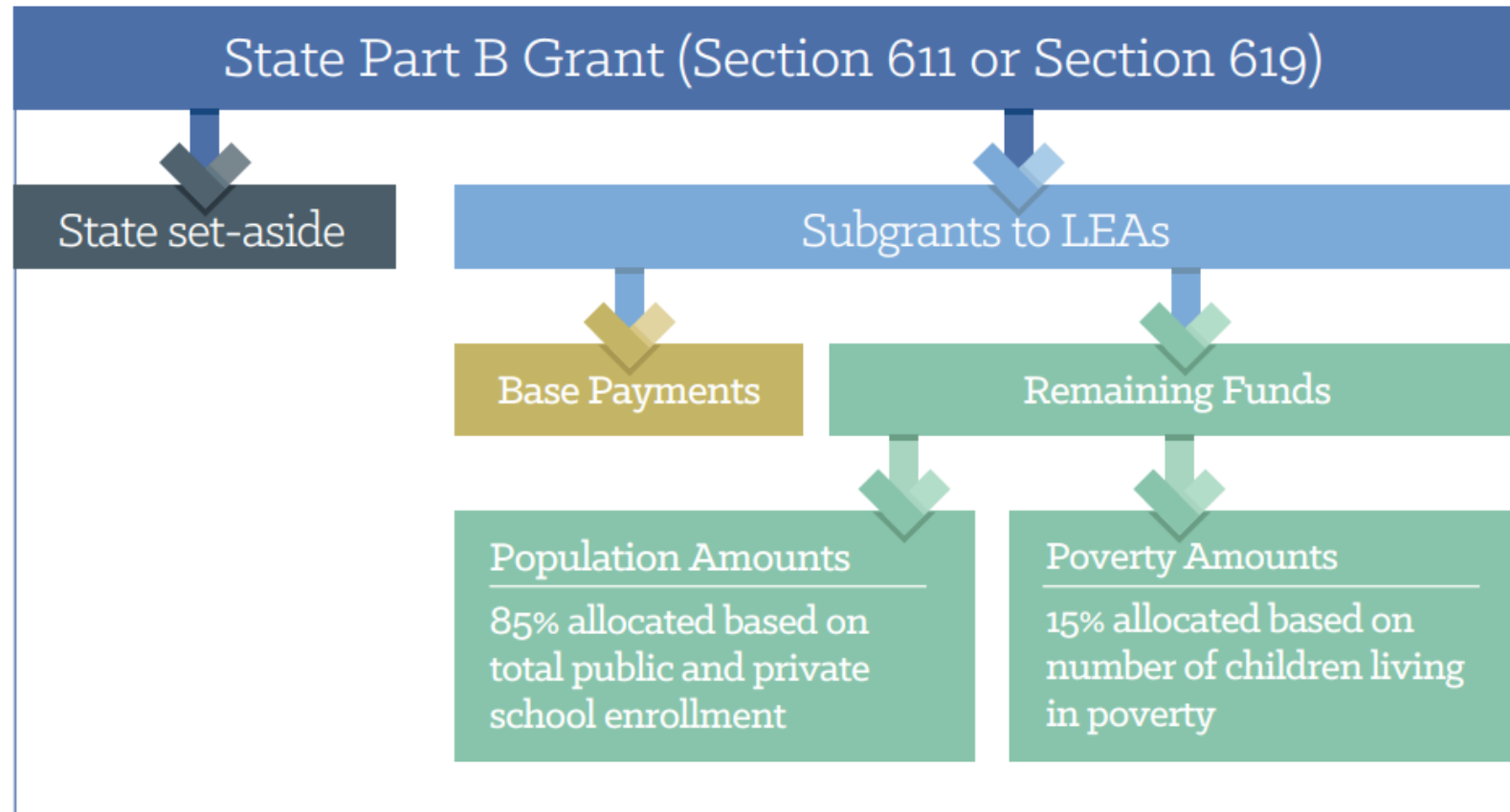
FY 2021-22 IDEA Part B 611

- Total: \$172,268,524
- Administration: \$2,762,778
- State-level Activities: \$13,678,335
- Flow through to LEAs: \$155,827,411

FY 2021-22 IDEA Part B 619

- Total: \$6,214,681
- Administration: \$211,031
- State-Level Activities: \$834,125
- Flow through to LEAs: \$5,169,525

IDEA Grant Makeup



What are Administrative Costs?

- Costs of general administrative expenses
- Costs to coordinate activities with other programs providing services to children with disabilities
- Costs to provide technical assistance
- Approximately 2% on average

State-Level Activity Projects

- Regional Inclusive Services, Audiology supports, Traumatic Brain Injury supports
 - Extended Assessments
 - Oregon Technology Access Program
 - Early Childhood Summer Institute
 - Center for Brain Injury Research and Training (CBIRT)
 - Oregon Textbook and Media Center (OTMC)
 - And more...
-
- Approximately 10% on average.

LEA Allocation Funding Formula

- Outlined in 34 CFR §300.705
- Base Allocation amount:
 - Predetermined total amount equal to 75% of the total grant Oregon received in FY 1999-2000 = \$36,242,655.
- Remainder after allocating the base amount is distributed as follows:
 - 85% based on student enrollment
 - 15% based on poverty level as determined by the State.
 - Oregon uses the Small Area Income and Poverty Estimates (SAIPE) from the U.S. Census to determine poverty level.

Distribution of LEA Allocations

- After Gross Allocations by LEA calculated, funds proportionately distributed based on each LEA's most recent December 1 Child Count, by Agency Serving Program.
- Example:
 - District A is allocated \$500,000.
 - District A reports 100 students experiencing disabilities
 - 10 of those students (10%) are served by a Regional Inclusive Services (RIS) program.
 - \$50,000 (10%) of District A's allocation is diverted to the district's RIS.
 - District A receives \$450,000 of its \$500,000 allocation.

Agency Serving Programs

- **District Only:** Student resides in the district and is provided special education services by the district.
- **Regional:** Student is provided services by a Regional Inclusive Services (RIS) program.*
- **Oregon School for the Deaf (OSD):** Student is attending OSD.*
- **Long Term Care and Treatment (LTCT):** Student receives special education services at an approved LTCT located in the district.*
- **Hospital:** The student receives special education services in a Hospital program
- **Early Childhood Special Education (ECSE):** The student receives their education through an ECSE center.

*Note that for RIS, OSD, and LTCT programs, funds are only diverted if the district elects to have ODE manage the funds on the district's behalf on its annual IDEA assurance and application for funds.

Pass-Through Process

Allocation stage

$$\begin{aligned} & \text{Base Payments} \\ & + \text{Population Portion} \\ & + \underline{\text{Poverty Portion}} \\ & = \text{Gross Allocation} \end{aligned}$$

Distribution stage

$$\begin{aligned} & \text{Gross Allocation} \\ & \times \underline{\text{Agency Serving percentage}} \\ & = \text{Net Allocation for Program} \end{aligned}$$

$$\begin{aligned} & \text{District Gross Allocation} \\ & - \underline{\text{Total Net Allocations for Programs}} \\ & = \text{District Net Allocation} \end{aligned}$$

LEA Allocation Tables

- Allocations are available on the Oregon Department of Education website:
 - <https://www.oregon.gov/ode/reports-and-data/SpEdReports/Pages/IDEAPartBFlow-Through.aspx>
- Estimates for the coming fiscal year released typically in April
- Preliminary amounts released in July
- Final amounts for the current fiscal year released in April

IDEA Part B and Preschool Application

- Application opens in April and closes in May
- Superintendent and/or Business Manager submit the application
- Application is located on the Special Education Funding website:
 - <https://www.oregon.gov/ode/reports-and-data/SpEdReports/Pages/IDEAAnnualApplications.aspx>

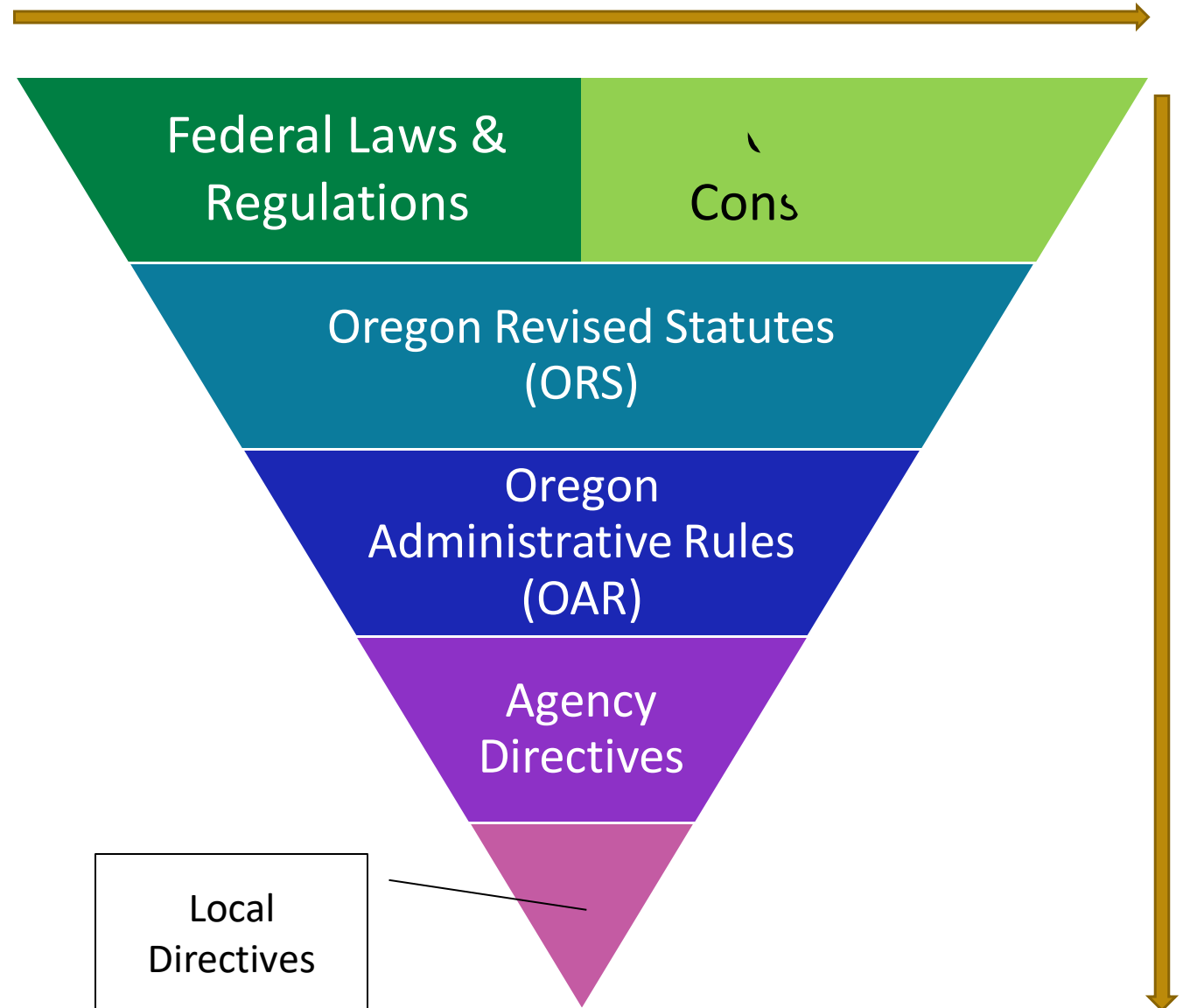
Indirect Cost Rate

- An indirect cost rate is a reasonable mean of determining the percentage of allowable general administrative expenses that each federal grant should cover.
- Ratio of total indirect costs to total direct costs, based on actual expenditures, exclusive of items such as capital outlay and debt service.
- Rates are issued to LEAs by the ODE's Indirect Cost Rate Certification system.
- Ask your Business Manager for your currently issued indirect cost rates.



Compliance Requirements

Oregon Law Structure



Compliance with Federal Laws and Regulations

- Individuals with Disabilities Education Act (IDEA) US Code Title 20 Chapter 33.
- Education Department General Administrative Regulations (EDGAR) 34 CFR Chapter 3.
- Uniform Grant Guidance (UGG) 2 CFR Chapter 2 Part 200 & 3474.

Compliance with State & Local Laws and Regulations

- Oregon Statute Title 30, Chapter 343 Special Education and Other Specialized Education Services
- Oregon Administrative Rules Chapter 581, Division 15 – Special Education
- State and LEA policies and procedures

Federal Compliance to Remember

- Title 34 CFR §300.202 states IDEA Part B funds must be used only to pay for the **Excess Costs** of providing special education and related services to children with disabilities.
- Talk to your Business Manager or the IDEA Finance Team to get familiar with these concepts.

Federal Compliance to Remember (continued)

- Title 34 CFR §300.203 LEA **Maintenance of Effort (MOE)** states IDEA Part B Funds must not be used to reduce the state and local level of expenditures for the education of children with disabilities.
- Talk to your Business Manager or the IDEA Finance Team to get familiar with these concepts.

Federal Compliance Comparison

IDEA Excess Cost

- Includes some Federal Funds



- Compares minimum to spend with actual spending.

- Separate calculations for elementary and secondary.



IDEA Maintenance of Effort

- Only considers state and local funds



- Compares year-to-year budgets and actual expenditures

- Includes all grade levels together



What can IDEA funds be spent on?

- No such guide exists at the federal level.
- Other states have attempted to create guides.
 - Either too long or too limited in scope.
- Per Uniform Grant Guidance and IDEA, almost any expense could be allowable so long as the appropriate principles are followed.

What can IDEA funds be spent on? (continued)

Uniform Grant Guidance, IDEA, and EDGAR outline four principles to determine if a cost is allowable.

- Necessary
- Reasonable
- Allocable
- Adequately Documented

How to determine if a cost is allowable

Necessary

- Is the expense necessary to provide special education and related services to student(s) with an IEP?
- Is it documented as needed on an IEP or other special education procedural document?

How to determine if a cost is allowable (2)

Reasonable

- Does the cost not exceed that which a prudent person would pay?
- Would the cost be the same if there were no federal funds available?

How to determine if a cost is allowable (3)

Allocable

- Is the cost an Excess Cost?
- Is this cost created because of special education needs and would not exist without special education?
- Is this cost in addition to the costs also generated by students without disabilities?
- If it is a child specific service, is the service documented in the student's IEP or IFSP?

How to determine if a cost is allowable (4)

Adequately Documented

- Is the cost and justification for each principle adequately documented?
- Is the documentation clear, does it address each principle, and does it include: the amount, exactly how the funds are used, and the total cost of the project?



Questions

Contact Us



James Foutch

Finance and Operations Advisor
james.foutch@ode.oregon.gov

Rae Ann Ray

IDEA General Supervision Systems Specialist
raeann.ray@ode.oregon.gov

Michelle Choate

Fiscal and Program Analyst
michelle.choate@ode.oregon.gov

Mayra Arreola

Director, Resource Management and Operations
mayra.arreola@ode.oregon.gov

Thank You

