

# Special Education Accounting & Reporting

**Mark Elworthy, Director  
School Financial Services Team**

**September 8, 2022**



WISCONSIN DEPARTMENT OF  
**Public Instruction**  
Jill K. Underly, PhD, State Superintendent

# Topics

- **The Basics**
- **Funding**
- **Things to know**
- **Resources**

# The Basics

**Identifying the cost of special education**



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# Special Education-Fund 27 Defined

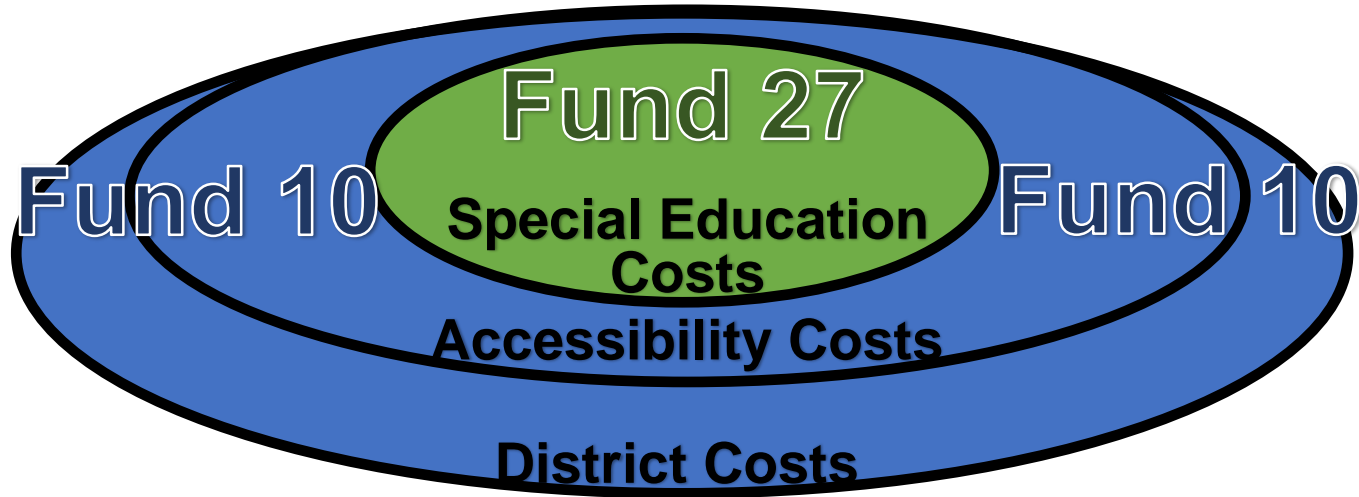
- **Used to account for the excess cost of providing special education and related services for students with IEPs during the regular or extended school years**
- **Includes charges for services to other districts as a result of hosting a package or cooperative program**
- **School-Age Parent costs also charged to this fund**
- **No fund balance or deficit can exist in this fund**

# Excess Cost of Special Education

**An excess cost is a cost you would not otherwise have but for the need to provide FAPE to students with disabilities**

- **FAPE is implemented with an IEP**
- **State aid and IDEA grant funding are based upon excess cost**

# Accessibility vs. Special Education



- Fund 27 = FAPE = IEPs
- Not all costs related to students with disabilities are Fund 27 costs!

# Funding Sources

**What is available to help pay for special education?**



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# Non-Local Funding Sources

## **State categorical aids**

- **Special Education and School-Age Parents**
- **High Cost Special Education**
- **Supplemental Special Education**

## **Federal IDEA Part B Formula Grants**

- **Flow-through**
- **Early Childhood**

## **IDEA Part B Discretionary Grants**

## **Medicaid School-Based Services**



# Funding Amounts 2022-2023

<b>Program</b>	<b>State Aid</b>	<b>IDEA</b>
<b>SPED/SAP</b>	<b>\$517,890,000</b>	
<b>High Cost SPED</b>	<b>\$11,439,200</b>	
<b>Transition Readiness Investment Grants</b>	<b>\$1,500,000</b>	
<b>Transition Incentive Aid</b>	<b>\$3,600,000</b>	
<b>IDEA Formula</b>		<b>\$205,911,277</b>

# Special Ed/School-Age Parents Aid

- **Districts, CESAs, CCDEBs, independent charter schools are eligible**
- **Reimbursement of eligible costs**
  - **(prorated at around 25%)**
- **Paid in six installments**
  - **15% each month November - March**
  - **25% in June**
- **Revenue Source code 611 (Fund 27)**

# IDEA Part B Formula Grants

- **Districts, independent charter schools are eligible**
- **Eligibility contingent on meeting conditions**
  - **Maintenance of Effort (MOE)**
  - **Signed Assurances**
- **Allocations based on formula**
- **Expenditures budgeted and reimbursed in current fiscal year**
- **Sources 341 (flow-through), 347 (preschool), and 342 (discretionary)**

# High Cost Special Ed Aid

- **Districts, CESAs, CCDEBs, independent charter schools are eligible**
- **Based upon claims from LEAs**
- **Eligible for 90% of locally-funded, IEP-driven individual student costs over \$30,000**
- **Prorated as necessary for available funding**
- **Paid in June**
- **Source 625**
- **Can't receive High Cost if you receive Supplemental**

# Medicaid School-Based Services

- **Districts, independent charter schools, CESAs, CCDEBs**
- **Reimbursement for providing certain Medicaid services to eligible students w/ IEPs and parental consent**
- **Significant administrative requirements**
- **Details beyond the scope of this presentation**
- **Source 780**

# Funding Eligibility

## What can you get help paying for?

DISCLAIMER: The following slides outline eligible costs in broad categories. They are not a definitive list of eligible costs. Eligible costs are specified by state and federal laws and program documentation.



# State Aid & Federal IDEA Eligible

- **Salary and benefits of licensed special education teachers, aides, and some support staff**
  - **Licensure + Assignment = Eligibility**
  - **Benefits eligible only when tied to salary**

# State Aid & Federal IDEA Eligible

- **Eligible staff**
  - **OT/PT, SPED supervision/coordination, SPED transportation**
  - **Special education teachers and aides**
  - **“Act 221” Pupil services positions**
- **School-age parent instruction (state aid only)**



# “Act 221” Pupil Service Positions

- **State aidable share of FTE set by rule**
  - **Social Workers: 59%**
  - **Guidance Counselors: 10%**
  - **School Nurses: 29%**
  - **Psychologists: 84%**

# **“Act 221” Pupil Service Positions**

**Can seek IDEA funding above percentages**

- **Must be able to document total Fund 27 share**

# State & IDEA Eligible Transportation

- **When required by IEP**
- **Eligible route must be 100% IEP-required**
  - **Incidental Benefit Exception: picked up at same location; no additional costs; doesn't displace rider with IEP**
  - **Newly Homeless Accommodation or Foster Care: up to 20 days**

# State & IDEA Eligible Transportation

- **Additional service on “regular” route (to and from school)**
  - e.g. bus aide for one student per their IEP
  - Only the excess cost of the service is eligible (Fund 27)
  - Regular route transportation (Fund 10)
- **A student maybe be eligible for special education categorical aid for support services while being transported on the regular bus route and be eligible for Pupil Transportation Aid**

# State & IDEA Eligible Transportation

- **A student who exclusively rides a specialized transportation route may not be counted for Pupil Transportation Aid.**
- **Vehicle/equipment purchases w/ pre-approval**
  - **No approval needed for equipment <\$10,000**

# Other State & IDEA Eligible Costs

## **Contracted services** (limited positions)

- **SPED Substitutes and Aides**
- **OT/PT**
- **Audiology/Interpreter**
- **Orientation & Mobility**
- **Speech/Language**
- **Transition**

# Other State & IDEA Eligible Costs

- **Extended School Year (not summer school)**
- **Homebound instruction travel**
- **Unemployment, up to 1 year after termination**
- **Tuition to non-WI public school district**

# IDEA Formula-Only Eligible Examples

- **Child Find**
- **Clerical support (not for Medicaid filing)**
- **Contracted nursing**
- **Curriculum/instructional development**
- **Equitable Services (private school)**
- **Evaluations**
- **IDEA auditing costs**



# IDEA Formula-Only Eligible Examples

- **Equipment, supplies, technology**
- **Legal administration (documentation, policy, training)**
- **Remodeling**
- **Staff development (training, college credit)**
- **Transition skills development**
- **Tuition to private agency**

# WUFAR Project Codes

## Common project codes

- **011: Local cost, eligible for categorical aid**
- **019: Local cost, not eligible**
- **340: IDEA grant-funded cost, direct to district**
  - Roll-up of 341, 342, and 347
- **317: Federal grant-funded cost via other district**
- **517: Federal grant-funded cost via CESA/CCDEB**
- **599: Cost funded by other grant**

# WUFAR Project Codes

- **Reported in PI-1505-SE, not full PI-1505**
- **Describe costs by funding source and aid eligibility**
- **Full list in “Special Education and School-Age Parents Aid Eligibility” at [dpi.wi.gov/sfs/aid/special-ed/sped-sap/eligibility](http://dpi.wi.gov/sfs/aid/special-ed/sped-sap/eligibility)**

# Eligibility vs. Coding



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# Eligibility vs. Coding

## Documents available at:

[dpi.wi.gov/sfs/aid/special-ed/sped-sap/eligibility](https://dpi.wi.gov/sfs/aid/special-ed/sped-sap/eligibility)

- **“Special Education and School-Age Parents Age Eligibility”** describes aid-eligible costs
- **“Fund 27 Matrix”** shows valid WUFAR account codes for the PI-1505-SE

[dpi.wi.gov/sped/educators/fiscal/allowable](https://dpi.wi.gov/sped/educators/fiscal/allowable)

- **“Allowable Costs”** lists costs eligible for IDEA FT/PS

# Eligibility vs. Coding

**The Fund 27 Matrix does not  
define eligible costs...**

***...just because you can code it  
doesn't make it eligible!***

# Contracting



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# Contracting w/ Eligible LEAs

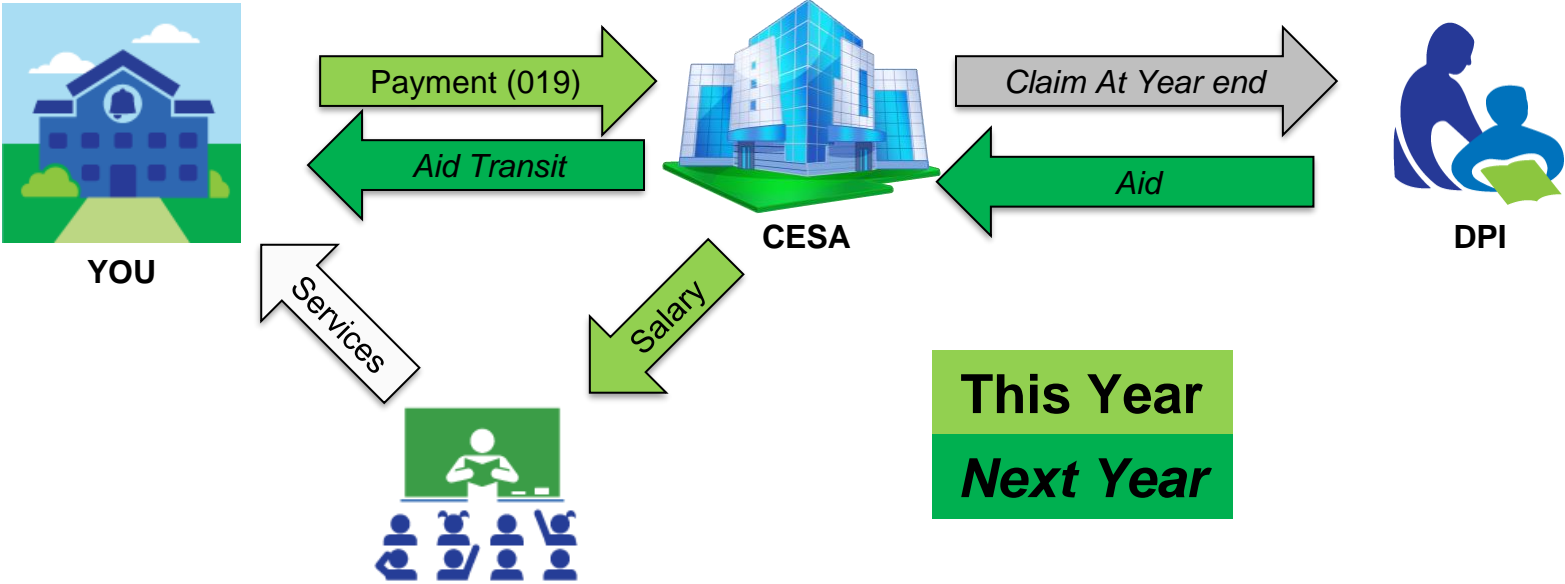
- **Contractor/fiscal agent is eligible LEA (CESA, CCDEB, another district, ind. charter)**
- **Cost is eligible for state categorical aid**
- **Contractor/fiscal agent receives aid, responsible for transiting it back per agreement**
- **Unless paid with grant funds**



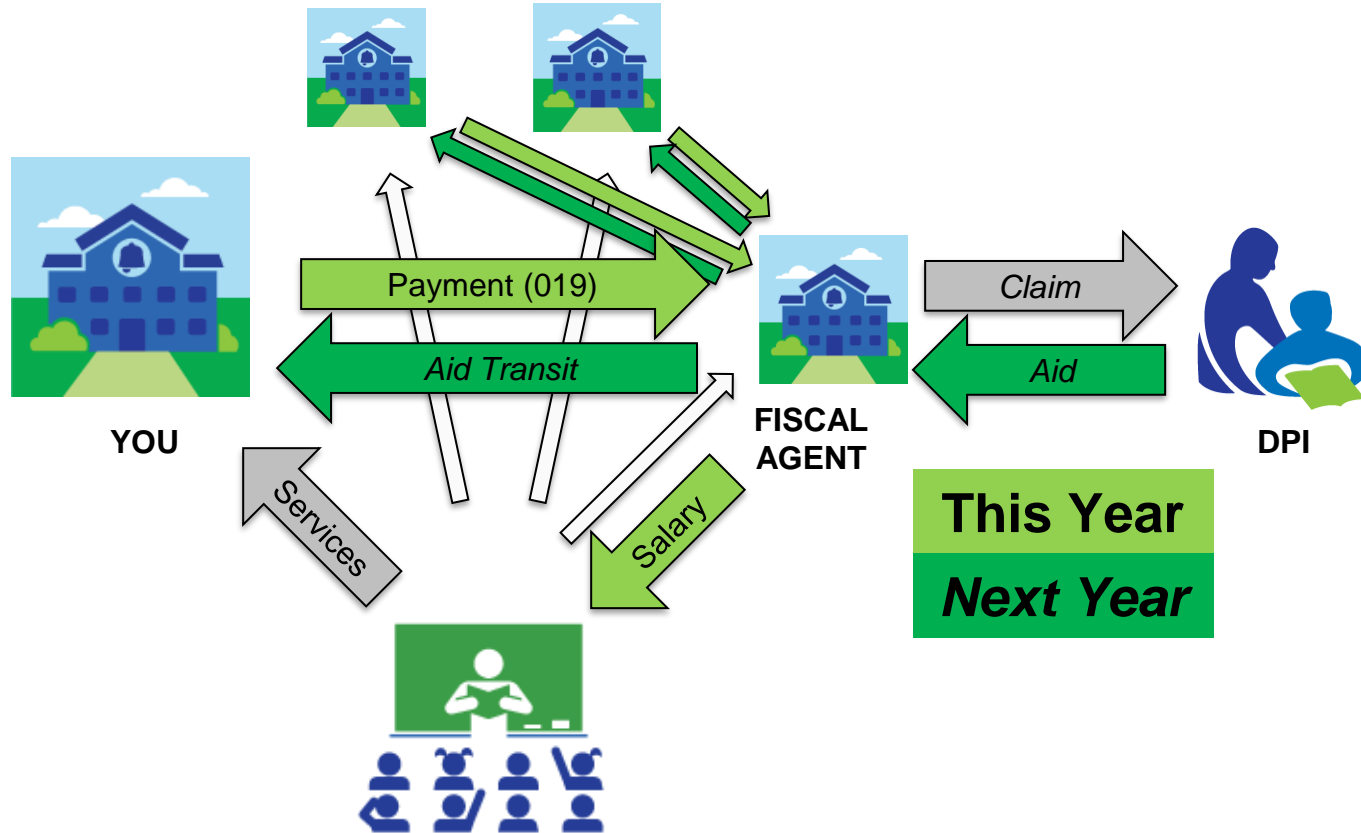
# Contracting w/ Eligible LEAs

- **Three basic types**
  - **Direct Contract**
  - **Cooperative (66.0301)  
Agreement**
  - **Package Program**

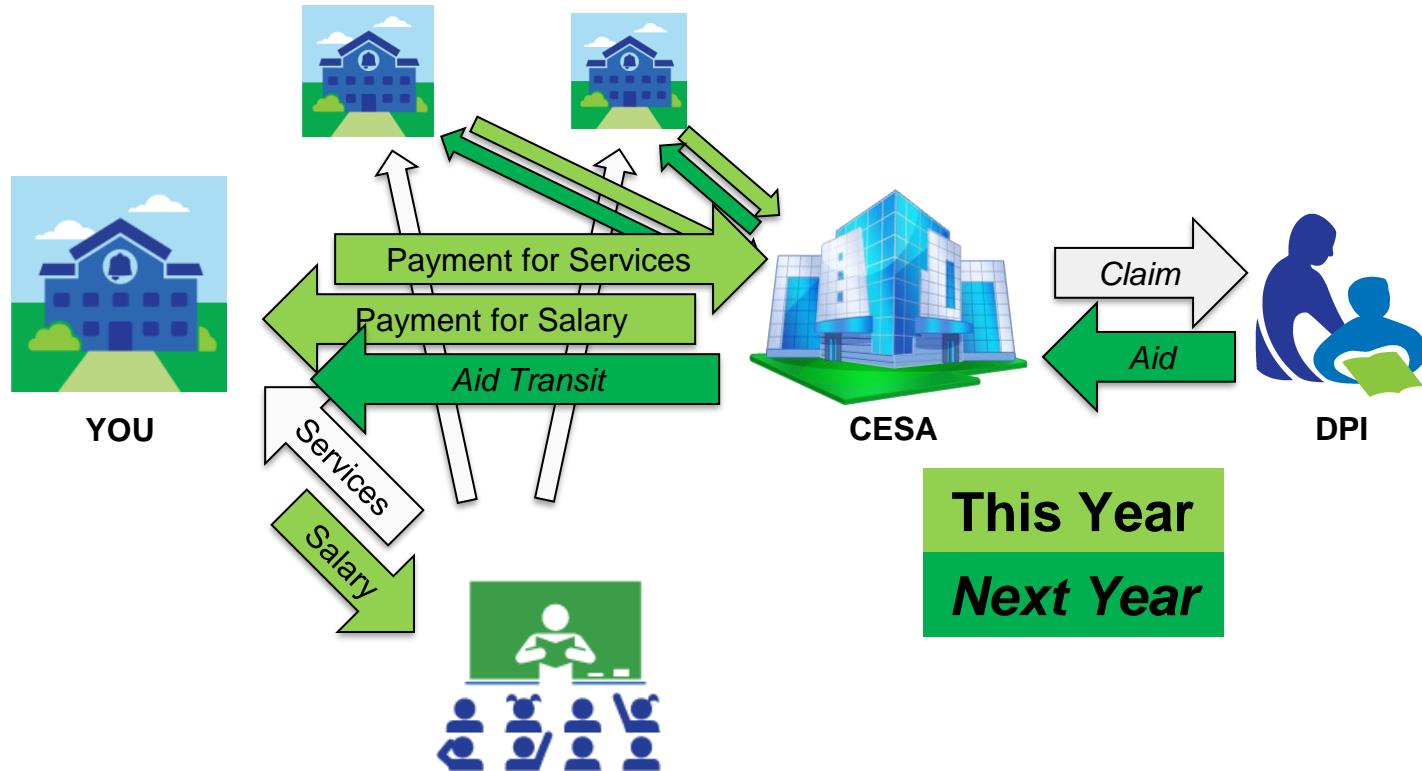
# Direct Contract



# Cooperative (66.0301) Agreement



# Package Program



# Things to know



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# Maximizing Your Revenue

## **Make Sure Staff Are Licensed**

- **Checkoff/tracking system for SPED staff and new hires can be helpful**

## **Track Costs for High-Need Students**

- **Submit High Cost Special Education Aid**

## **Use your FT/PS Grant Funds**

**If In Doubt, Ask!**

# Open Enrollment for SwDs

- **Funded by \$13,076 in 2022-23 DPI aid transfer from resident district (Fund 10 expense)**
- **District of attendance (non resident) district assumes FAPE and MOE, retains state & federal special education aids**

# Special Needs Scholarship Program

- **Funded by \$ \$13,076 in 2022-23 DPI aid transfer (Fund 10 expense)**
- **Payment deducted from general aids**
- **Revenue limit (district receives non-recurring exemption equal to aid reduction)**
- **SwD counted by resident district for general aids paid in the next fiscal year**



# Tuition Agreements

- **For individual students, Wis. Stat. § 121.78**
- **Resident district pays another district for instruction/placement**
- **Specify exact amount of tuition this year**
- **Specify maximum estimated aid transit next year**

# Tuition Agreements

**Resident  
District**



**Pays Tuition for an individual student  
to attend another district**

**Another  
District**



**Appeals of OE denial will be overturned when denying districts accept students under tuition agreements**

- **If you have space for tuition, you have space for OE**

# Cooperative Agreements

- **For student programs, Wis. Stat. § 66.0301**
- **Multiple LEAs share costs of a program**
- **One LEA is fiscal agent**
- **Resident District is FAPE agency**
- **Specify cost sharing/allocation**
- **Identify categorical aid transit**

# Cooperative Agreement

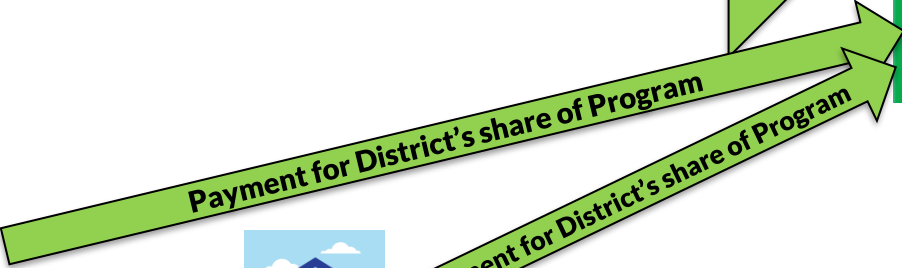
**Resident  
District**



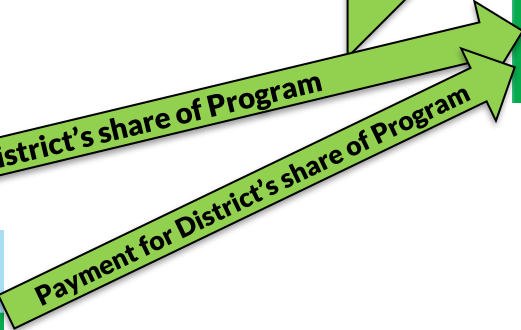
**Program Host  
FISCAL AGENT**



**Payment for District's share of Program**



**Payment for District's share of Program**



**Payment for District's share of Program**

# Tuition vs. Cooperative Agreements

## Tuition Agreements

- For **students**
- Authority: s. 121.78
- Resident district pays another district for instruction/placement

## Cooperative Agreements

- For **programs**
- Authority: s. 66.0301
- Multiple LEAs share costs of a program
- One LEA is fiscal agent

- Resident district remains FAPE agency in either case
- Districts may not cast tuition agreements as “66.0301” to avoid space determination/Open Enrollment issues

# DPI Website Links

## **Special Education Aids:**

[dpi.wi.gov/sfs/aid/special-ed/overview](https://dpi.wi.gov/sfs/aid/special-ed/overview)

## **WUFAR:**

[dpi.wi.gov/sfs/finances/wufar/overview](https://dpi.wi.gov/sfs/finances/wufar/overview)

## **IDEA Technical Assistance:**

[dpi.wi.gov/sped/educators/fiscal](https://dpi.wi.gov/sped/educators/fiscal)

## **Tuition Agreements:**

[dpi.wi.gov/sfs/finances/tuition/overview](https://dpi.wi.gov/sfs/finances/tuition/overview)

# DPI Contacts

**State special education aids and reporting:  
Rick Cruz, School Financial Services**  
[ricardo.cruz@dpi.wi.gov](mailto:ricardo.cruz@dpi.wi.gov), **608-266-8255**

**IDEA flow-through and preschool grants:  
Rachel Zellmer, Special Education**  
[rachel.zellmer@dpi.wi.gov](mailto:rachel.zellmer@dpi.wi.gov), **608-266-1787**

**DPI Survey:** <https://forms.gle/3s71zf9jNwG15n5k7>