

Region 1 ESC

Special Education Finance 101

March 28, 2025

Cindy Moses, TCASE Consultant

cindy@tcase.org



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Agenda

- **Resources**
- **Understanding State SpEd Funding**
- **Understanding Federal SpEd Funding**
- **MOE**

RESOURCES:

SPED Leadership Resource Site – Liaison Project
Live Binder (for the 24-25 school year)

<https://www.livebinders.com/play/play?id=1647085>

Google Site

<https://sites.google.com/esc9.net/directorialivecalendar/live-calendar>

Downloadable Calendar

RESOURCES:

Special Education Funding Livebinder – ESC Collaborative**
Currently not available – revisions coming

Legal Framework – Region 18 ESC

https://fw.escapps.net/Display_Portal?destination=/%3FDT=G%26LID=en

TEA Grant Opportunities

<https://tea4avalonzo.tea.state.tx.us/GrantOpportunities/forms/GrantProgramSearch.aspx>

TEA Special Education Funding

<https://tea.texas.gov/academics/special-student-populations/special-education/programs-and-services/special-education-funding>

MOE – Calculation Tool and Exceptions Workbook

<https://tea.texas.gov/finance-and-grants/grants/federal-fiscal-compliance-and-reporting/idea-fiscal-compliance/idea-b-lea-maintenance-of-effort>



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Student Attendance Accounting Handbook

<http://tea.texas.gov/index2.aspx?id=25769817607>

Financial Accountability System Resource Guide (FASRG)

http://tea.texas.gov/Finance_and_Grants/Financial_Accountability/Financial_Accountability_System_Resource_Guide

Scroll to Version 19, Module 1 FAR Appendices



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State Allotment Program Monitoring

<https://tea.texas.gov/finance-and-grants/financial-compliance/state-allotment-programs>

Federal Compliance “Risk Assessment”

<https://tea.texas.gov/finance-and-grants/grants/grants-administration/risk-assessment>

Grants Awarded Information

<https://tea.texas.gov/finance-and-grants/grants/grants-administration/grants-awarded-data>

TEA State Funding Info

<https://tea.texas.gov/finance-and-grants/state-funding>

Excess Cost Handbook and Tools & IDEA-B MOE Handbook

<https://tea.texas.gov/finance-and-grants/grants/federal-fiscal-compliance-and-reporting/idea-fiscal-compliance/excess-cost>

TEA Training and Handbooks

<https://tea.texas.gov/finance-and-grants/grants/training-and-other-resources>

(Procurement Guidance; Supplement, Not Supplant; Federal Time and Effort; MOE; and MANY others)



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THREE PRIMARY SOURCES OF REVENUE

Local - Generated by local tax dollars, SHARS,
local grants or foundations

State – Foundation School Program Funds

Federal – Egrants for IDEA-B Formula, IDEA-B Preschool
(and others)

See Funding Pyramid – ESC Special Ed Funding LiveBinder (next slide)



Special Education Funds

SOURCE		USE OF FUNDS
IDEA-B Formula IDEA-B Formula Deaf IDEA-B Preschool IDEA-B Preschool Deaf IDEA-C Early Intervention Deaf IDEA-B Discretionary	FEDERAL	<ul style="list-style-type: none"> ▪ <i>Excess</i> cost of providing special education and related services to children with disabilities ▪ <i>Extra</i> resources, over and above state and local funds ▪ <i>Supplement</i> state, local, and other federal funds
Non Educational State Deaf SSVI	OTHER STATE	<ul style="list-style-type: none"> ▪ Supplemental services for specific students
State Revenue Foundation School Program (FSP)	STATE Special Education Allotment	<ul style="list-style-type: none"> ▪ Supplemental services for students with disabilities ▪ Resources over and above FSP funds
State Revenue Foundation School Program (FSP)	STATE Regular Education Allotment	<ul style="list-style-type: none"> ▪ Resources for services that are provided to all students ▪ Not limited to students with disabilities
Local Revenue	Local Tax Dollars	<ul style="list-style-type: none"> ▪ Resources available for use at the LEA's discretion



LOCAL FUNDS vs. STATE FUNDS

What's the difference?

SMD - 199

SSA - 437



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What determines the state funding that a district receives for Special Education?

Instructional Arrangement Codes

**Student Attendance Accounting Handbook –
Section 4**

Foundation Funding - IMPORTANT

1.1 Student Attendance and FSP Funding

The primary purpose for TEA's collection of student attendance data is to ensure that FSP funds can be allocated to Texas's public schools. All public schools in Texas must maintain records to reflect the average daily attendance (ADA) for the allocation of these and other funds by TEA.³

Note: An inherent difference exists between being permitted to serve a student in a particular program and being entitled to funding for the service provided to the student. For example, depending on local policy, your school district may serve any student in any capacity or setting as long as serving the student does not interfere with the education of funding-eligible students. However, the only circumstance in which a student may be coded as an eligible participant in a program or setting, thereby generating state funding, is one in which the student meets all eligibility requirements and all documentation is complete and on file.

All eligible students are entitled to the benefits of the FSP. However, for your district to claim a student for funding purposes, complete documentation that proves the eligibility of the student for the FSP must first be on file. Furthermore, your district must report all eligible attendance according to provisions established by TEA. For these reasons, TEA has developed both a standardized attendance accounting system (described in this handbook) and a standardized reporting system (TSDS PEIMS).⁴



Section 4.3

4.3 Enrollment Procedures

This subsection explains the procedures for special education program enrollment.

4.3.1 Enrollment Procedures for a Student in Your District Who Was Not Previously Receiving Special Education Services

The enrollment procedures for a student in your district who was not previously receiving special education services are as follows:

1. Upon completion of a full individual and initial evaluation (FIIE), an ARD committee meets and, if the ARD committee finds the student eligible, develops the student's IEP, which includes the appropriate educational placement for implementing the student's IEP. The instructional setting code for the student will be based on the setting in which the student receives special education services and the percentage of time the student receives special education services in a setting (see [4.7 Instructional Setting Codes](#)). The student's speech therapy indicator code will be based on whether the student receives speech therapy and, if the student does, whether the student receives other services provided through an instructional setting (see [4.8.1 Speech Therapy Indicator Codes](#)). Additionally, the ARD committee determines the date that services will begin (the effective date) and the duration of the services, and records this information in the IEP.
2. The ARD committee provides the student's coding information and effective date to appropriate district personnel (for example, attendance personnel or PEIMS clerks) as soon as possible.
3. District personnel record the coding information and effective date of service in the attendance accounting system. **The effective date is the date services begin (as determined by the ARD committee), not the date on which the ARD committee developed the IEP. Note: ARD committees may determine that the services will begin on the same date as the ARD committee meeting with agreement from all parties.**

4.3.2 Enrollment Procedures for a Student in Your District Whose Instructional Setting Is Changing

Note: This subsection applies to a student already in your district, not a student new to the district.

The enrollment procedures for a student in your district whose instructional setting is changing are as follows:

Tool for Estimating:

Instructions: Enter your district's basic allotment from the Summary of Finance in the yellow cell, replacing the current figure. The answers will be for one student in each instructional arrangement with perfect attendance.

	Homebound	Resource*	Speech	Hospital	VAC	off home campus	Resident C&T	Mainstream (ADA)
	01	41-45	00	02	08	91-98	81-89	40
(A) DAYS PRESENT	180	180	180	180	180	180	180	180
(B) AV HRS/DAY	1	2.859	0.25	4.5	5.5	4.25	5.5	6
(C) TOTAL CONTACT HRS [A x B]	180	514.62	45	810	990	765	990	1080
(D) DAYS TAUGHT x 6	1080	1080	1080	1080	1080	1080	1080	1080
(E) FTE [C/D]	0.1667	0.4765	0.0417	0.7500	0.9167	0.7083	0.9167	1.0000
(F) FUNDING WEIGHT	5	3	5	3	2.3	2.7	4	1.15
(G) WEIGHTED FTE [E x F]	0.8333	1.4295	0.2083	2.2500	2.1083	1.9125	3.6667	1.1500
(H) BA	\$ 6,160	\$ 6,160	\$ 6,160	\$ 6,160	\$ 6,160	\$ 6,160	\$ 6,160	\$ 6,160
(I) SP ED FUNDS GENERATED [G x H]	\$ 5,133	\$ 8,806	\$ 1,283	\$ 13,860	\$ 12,987	\$ 11,781	\$ 22,587	\$ 7,084
(J) ADA OF THIS STUDENT	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
(K) SP ED FTE [FROM E]	0.1667	0.4765	0.0417	0.7500	0.9167	0.7083	0.9167	0.0000
(L) REGULAR PROGRAM ADA [J-K]	0.8333	0.5235	0.9583	0.2500	0.0833	0.2917	0.0833	1.0000
(M) BA	\$ 6,160	\$ 6,160	\$ 6,160	\$ 6,160	\$ 6,160	\$ 6,160	\$ 6,160	\$ 6,160
(N) REG ED FUNDS GENERATED [L x M]	\$ 5,133	\$ 3,225	\$ 5,903	\$ 1,540	\$ 513	\$ 1,797	\$ 513	\$ 6,160
(O) TOTAL FUNDS GENERATED [I + N]	\$ 10,267	\$ 12,030	\$ 7,187	\$ 15,400	\$ 13,501	\$ 13,578	\$ 23,100	\$ 13,244
* Same for self-contained, mild/moderate/severe, regular campus								

Special Education Funding Live Binder resource**



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Student Moving from 40 to 41

- Special Education Funding goes from \$7,084 to \$8,806
+\$1,722 (gain)
- General Education Funding goes from \$6,160 to \$3,225
-\$2,935 (loss)

NET LOSS -\$1,213

Student Moving from 504 to 41

- Special Education Funding goes from \$0 to \$8,806
+\$8,806 (gain)
- General Education Funding goes from \$6,160 to \$3,225
-\$2,935 (loss)

NET GAIN +\$5,871

Summary of Finance



2023-2024 Summary of Finances

NEW CANEY ISD (170908)

Last Update: SEP 04, 2024

Payment Cycle: Near-Final

Payment Class: 2

Run Id: 44055

Funding Elements			
Students		LPE	NF
1.	Refined Average Daily Attendance (ADA)	17,210.811	17,225.387
2.	Regular Program ADA (Ref ADA - Spec Ed FTEs - CT FTEs)	15,138.022	15,003.035
3.	Special Education FTEs	326.861	512.287
4.	Career & Technology FTEs	1,745.928	1,710.065
5.	Weighted ADA (WADA)	25,251.397	25,785.291
6.	PEIMS Enrollment	0	0
Property Values		LPE	NF



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Summary of Finance

Program Intent Codes - Allotments		LPE	NF
Tier One Subchapter B and C Allotments			
21.	11-Regular Program Allotment 48.051	\$93,250,216	\$92,418,696
22.	Small and Mid-Size Allotment 48.101	\$0	\$0
23.	23-Special Education Adjusted Allotment 48.102 (spend 55% of amount)	\$13,065,732	\$16,676,922
24.	37-Dyslexia Allotment 48.103 (spend 100% of amount)	\$976,360	\$1,146,376
25.	24-Compensatory Education Allotment 48.104 (spend 55% of amount)	\$20,727,088	\$20,727,786
26.	25-Bilingual Education Allotment 48.105 (spend 55% of amount)	\$4,220,832	\$4,473,765
27.	22-Career and Technology Allotment 48.106 (spend 55% of amount)	\$14,388,196	\$14,165,722
28.	11-Public Education Grant 48.107	\$0	\$0



Special Considerations for State Special Ed Funds

State program funds (which includes special education funds) have a 55% spending requirement (calculated on a 3 year average)

Personnel paid by state special education funds can perform duties that support school operations equivalent to those that regular education personnel are assigned. (Different from IDEA-B)

Office and routine classroom supplies are not allowable, but supplies, materials and equipment can be purchased if they are directly related to developing or implementing IEPs and not ordinarily purchased for the regular classroom.

**SOME DAYS I AMAZE
MYSELF.**

**OTHER DAYS I LOOK FOR
MY PHONE WHILE I'M
TALKING ON IT.**

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Federal Funds

Two Primary Funds:

IDEA-B Formula

IDEA-B Preschool

Formula:

SMD - 224

SSA - 313

Preschool:

SMD - 225

SSA - 314



Where do I find my entitlements?

1. Within Your Egrant Itself on Schedule BS6007 (beware of possible carryover amounts being included)

2. On TEA's Entitlements Page

https://tea.texas.gov/Finance_and_Grants/Grants/Applying_for_a_Grant/Entitlements



Understanding Your Grant

Use Training (Handbook) link:

<https://tea.texas.gov/finance-and-grants/grants/training-and-other-resources>

Understanding Your Grant

Handbooks and Other Guidance

The department has developed the following guidance handbooks to assist grantees:

- [Procurement Guidance Handbook](#)
- [Internal Controls Handbook](#)
- [Supplement, Not Supplant Handbook \(Version 4, posted 09/05/2019\)](#)
- [Federal Time and Effort Reporting Guidance Handbook for LEAs \(Version 2, posted 01/14/2016\)](#)
- [IDEA-B LEA Maintenance of Effort \(MOE\) Guidance Handbook](#)
- [IDEA-B Coordinated Early Intervening Services \(CEIS\) Guidance Handbook](#)
- [ESSA LEA Maintenance of Effort \(MOE\) Guidance Handbook](#)
- [Title I, Part A Comparability of Services Guidance Handbook](#)

The following links provide grantees with other grant-related guidance:

- [Maximum Indirect Costs Worksheet](#)
- [Indirect Cost Rate Guidance Handbook](#)
- [Corrective Actions Related to Federal Grants](#)
- [ESSA Funding Reference Manual](#)
- [IDEA-B Funding Reference Manual](#)
- [Travel Guidelines and Current Reimbursement Rates](#)
- [Substitute System of Time-and-Effort Reporting](#)



Understanding Your Grant

IDEA-B Funding Reference Manual, p. 4

Even if LEA base payment amounts are adjusted, the total statewide base payment amounts for the two grant programs remain the same. For Texas, the total statewide base payment amounts are as follows:

- IDEA-B Formula: \$252,423,854
- IDEA-B preschool: \$16,012,434

IDEA-B Formula

An LEA's IDEA-B Formula base payment is the amount that the LEA would have received if TEA had distributed 75% of the state's FFY 1999 (SFY 2000) IDEA-B Formula grant, using the LEA's 1998 count of children with disabilities ages 3–21.

IDEA-B Preschool

An LEA's IDEA-B Preschool base payment is the amount that the LEA would have received if TEA had distributed 75% of the state's FFY 1997 (SFY 1998) IDEA-B Preschool grant, using the LEA's 1996 count of children with disabilities ages 3–5.



General Grant Reminders:

If your fiscal year starts July 1, you need to submit by July 1.

If you submit after July 1, the date of submission is the date the grant starts.

For the 24-25 grant, submission was due September 3.

Last date to amend is June 2, 2025.

General Grant Reminders:

You can start using grant funds when it is submitted in “substantially approvable format.”

You can move up to 25% of your TOTAL grant between object codes without amending the grant.

Egrants & Compliance

- EDGAR –

- Use Your LEA's "Procedures Manual"

**Use Special Ed Funding Live Binder



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Education Department General Administrative Requirements

Seven Requirements:

- ❖ Financial Reporting
- ❖ Accounting Records
- ❖ Internal Controls
- ❖ Budget Controls
- ❖ Allowable Costs
- ❖ Source Documentation
- ❖ Cash Management

Education Department General Administrative Requirements

Vendor Selection

Contract Procedures

Want or Need??

Field Trips = Entertainment?

Procurement Rules

Cost Analysis

“Necessary and Reasonable”

- ❖ Accounting
- ❖ Internal Controls
- ❖ Budget Controls
- ❖ Allowable Costs
- ❖ Source Documents
- ❖ Cash Management

Egrants & Compliance

- Excess Cost
 - TEA Website
 - <https://tea.texas.gov/finance-and-grants/grants/federal-fiscal-compliance-and-reporting/idea-fiscal-compliance/excess-cost>



Excess Cost



Search

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Excess Cost

Excess costs are the costs of providing special education and related services to students with disabilities, over and above the average expenditure in a local educational agency (LEA) for an elementary or secondary student. These costs are calculated each year based on expenditures from the most recent prior school year. If your organization receives a federal grant awarded under the Individuals with Disabilities Education Act, Part B (IDEA-B), those funds must be used to pay the excess cost of providing special education and related services to students with disabilities (34 CFR §300.202(b)).

Except under conditions described in 34 CFR §300.202 (b)(1)(ii), the excess cost requirement prevents the use of IDEA-B funds to pay for the entire cost of providing services to students with disabilities. Your organization meets the excess cost requirement if at least a minimum average amount is spent for the education of students with disabilities before IDEA-B funds are spent. For practical purposes, IDEA-B funds may be spent simultaneously with state, local, and other federal funds. However, by the end of the fiscal year, your organization must have spent the minimum average amount per student with funds other than IDEA-B.

For more information about the excess costs guidelines, you may refer to the links provided in the Federal Guidance section below.

TEA Guidance

The following sections below provide guidance to assist LEAs concerning excess cost.

IDEA-B LEA MOE Handbook

Contact Information

Federal Fiscal Compliance and Reporting Division

(512) 463-9127 (phone)

compliance@tea.texas.gov (email)



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Excess Cost

[EFFECT \(MOE\) Guidance Handbook \(PDF\)](#).

Excess Costs Guidance Handbook

Information on excess costs requirements is available in the [IDEA, Part B Excess Costs Guidance Handbook \(PDF\)](#).

Excess Costs Calculation Tool

Each year you must complete the excess cost calculation based on expenditures from the prior school year. Complete the calculation as soon as possible after you submit the final expenditure report. An Excel workbook (Excess Cost Calculator Tool) is available to help you calculate excess costs.

- [Excess Cost Calculator Tool - interactive - Excel version](#)
- [Excess Cost Calculator Tool - pdf version](#)

Federal Guidance

Use the links listed below to view the federal regulations concerning excess costs.

- [34 CFR §300.16 Excess Costs](#)
- [34 CFR §300.202 Use of Amounts](#)
- [Appendix A to Part 300 Excess Cost Calculation](#)

Additional guidance will be posted on this page as it becomes available. If you would like to be notified when updates occur, please subscribe to the [Grants Administration and Federal Program Compliance](#) email bulletin.



IDEA-B Federal Grant Program Guidelines – p.13

Federal regulations stipulate that each program must demonstrate that it meets the excess cost requirements of IDEA-B. The excess cost requirement prevents an LEA from using funds provided under Part B of the act to pay for all the costs directly attributable to the education of a child with a disability. An LEA meets the excess cost requirement if it has spent at least a minimum average amount for the education of its children with disabilities before funds under Part B of the act are used (34 CFR 300.202).



Egrants & Compliance

- Program Guidelines
 - Use TEA Grant Opportunities Page

TEA Grant Opportunities

This site is a central resource for all state and federal grants administered by TEA. Select an application name from the dropdown list of available grants, or use the dropdowns in the Search Options section below to locate a grant's Request for Application (RFA) and its specific program guidelines, application, due dates, and other important information. Additional resources and Universal Errata are linked in the sidebar. Please email questions about grants or grant funding to Grants@tea.texas.gov.

Available Grant Opportunities

Application Name :

Search Options (Select options below to search for the available grant opportunities)

Keyword(s) in Application Name :

(enclose text in quotes for exact match)

School Year :

Program/Subject Area :

Funding Type :

Application Type :

Submission Type :

Between Dates

Availability Date :  

Due Date :  

****Please note** - All dates and grant specifics are subject to change. Please monitor this website regularly for updated grant information and errata; applicants are responsible for meeting due dates and other grant requirements.**

Program Guidelines

Program Information

Program Description

IDEA-B Formula provides supplemental resources to help LEAs ensure that eligible students (ages 3-21) with disabilities are provided with a free appropriate public education as required by federal statute.

IDEA-B Preschool provides supplemental resources to help LEAs ensure that eligible students (ages 3-5) with disabilities are provided with a free appropriate public education as required by federal statute.

IDEA-B Discretionary Deaf helps ensure that eligible students with disabilities (ages 3-21) are provided with a free appropriate public education as required by federal statute.

***Please note that all funding amounts are tentative.

Eligibility

IDEA-B Formula — LEAs, fiscal agents, and state agencies operating education programs

IDEA-B Preschool — LEAs, fiscal agents, and state agencies operating education programs

IDEA-B Discretionary Deaf — RDSPD fiscal agents & Texas School for the Deaf (TSD)

Statutory Authority

Individuals with Disabilities Education Act (IDEA), as amended by the IDEA Improvement Act of 2004 (P.L. 108-446), Part B, Sections 611, 619



Program Guidelines

Funding Information

Expected Number of Awards: **725**

Minimum Allowable per Award: **N/A**

Cost Sharing or Match Requirement: **None**

Maximum Allowable per Award: **N/A**

Grant ID	Grant Description	Grant Start Date	Grant End Date	Fund Type	CFDA #	Percent	Amount
25660001	IDEA-B Formula	07/01/2024	09/30/2025	Federal	84.027A	97.72	\$1,093,640,373.00
25661001	IDEA-B Preschool	07/01/2024	09/30/2025	Federal	84.173A	1.72	\$19,278,368.00
25660011	IDEA-B Discretionary Deaf	07/01/2024	09/30/2025	Federal	84.027A	0.55	\$6,188,000.00
Total Funding Available							\$1,119,106,741.00

Application and Support Information

****Please note**** - This is ONLY a viewing copy of the application. If instruction above indicate that the application must be submitted electronically, the application will not be accepted by TEA via any other means.

[General and Fiscal Guidelines, Provisions, Lobbying and Debarment](#)

[Program Guidelines](#)

[Program-Specific Provision and Assurances](#)

[PS3502 PNP Consultation Attachment](#)

[Sample Application](#)



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Program Guidelines

Critical Events

Grant Description	Event	Reporting Period	Due Date
All	ADC Availability Date	-	05/13/2024
All	Application Availability Date	-	06/05/2024
All	Application Due Date	-	09/03/2024
All	Last Amendment Due Date	-	06/02/2025
IDEA-B Discretionary Deaf	Revised Final Expenditure Report	07/01/2024-09/30/2025	12/29/2025
IDEA-B Formula	Revised Final Expenditure Report	07/01/2024-09/30/2025	12/29/2025
IDEA-B Preschool	Revised Final Expenditure Report	07/01/2024-09/30/2025	12/29/2025
IDEA-B Discretionary Deaf	Final Expenditure Report	07/01/2024-09/30/2025	12/29/2025
IDEA-B Formula	Final Expenditure Report	07/01/2024-09/30/2025	12/29/2025
IDEA-B Preschool	Final Expenditure Report	07/01/2024-09/30/2025	12/29/2025

Contact Information

	Name	Contact	Phone
Program Contact:	Special Education	SpecialEducation@tea.texas.gov	(512) 463-9414
Funding Contact:	Grants Administration	grants@tea.texas.gov	(512) 463-8525
Program Evaluation Contact:	N/A		N/A
Contact for Electronic Access Issues:	N/A		N/A



Program Guidelines – pp. 8 & 9

Program Purpose, Goals, and Objectives

The grants in the Special Education Consolidated Grant Application (Federal) provide financial assistance to local educational agencies to help them ensure that:

- They identify and provide a free appropriate public education to students with disabilities who are eligible for special education and related services.
- They protect the rights of students with disabilities and the rights of their parents.
- They design individualized education programs that meet the needs of students with disabilities and that prepare those students for further education, employment, and independent living.

LEAs will do the following:

- **IDEA-B Formula:** Provide special education and related services to children with disabilities ages 3–21.
- **IDEA-B Preschool:** Provide special education and related services to children with disabilities ages 3–5.
- **IDEA-B Discretionary Deaf:** Provide educational services to students ages 3–21 who are deaf or hard of hearing enrolled in Regional Day School Programs for the Deaf (RDSPDs).



Program Guidelines – p.9

This allocation (for both planning and final amounts) is awarded by TEA based on three components: base, population, and poverty:

- The **base** amount is a frozen amount adjusted by statute as varying circumstances occur.
- The **population** amount is 85% of the remaining funds available from the Federal government for flow-through funds to the LEAs. This amount is based on the relative number of children enrolled in public and private elementary and secondary schools within the LEA's jurisdiction.
- The **poverty** amount is 15% of the remaining funds available from the Federal government for flow-through funds to the LEAs. This amount is based on the relative numbers of children living in poverty.

Authority: IDEA, P.L. 108-446, Part B, Sec 611; 34 CFR Part 300; Education Department General Administrative Regulations (EDGAR) as applicable; 2 CFR as applicable



Program Guidelines – p.12

Supplement, Not Supplant

For supplement, not supplant guidance, see the Supplement, Not Supplant Handbook on the Department of Grant Compliance and Administration's [Training and Other Resources](#) page.

The supplement, not supplant provision applies to **all** grant programs within this grant application.

Under IDEA, section 613(a)(2)(A)(ii) (34 CFR 300.202[a][3]) (supplement/not supplant), Part B funds must be used to supplement State, local, and other Federal funds and not to supplant those funds. If the LEA maintains (or exceeds) its level of local—or State and local—expenditures for special education and related services from year to year, either in total or per capita, then the Part B funds are, in fact, supplementing those local—or State and local—expenditures, and the LEA has met its MOE and supplement, not supplant requirements.



Program Guidelines – p.14

The applicant agency is responsible for setting aside 25% of its IDEA-B Formula base planning amount for residential placement costs. The 25% set-aside is applied to both related services and residential (room, board, and other daily care) costs. If the applicant agency fails to set aside the necessary 25%, it guarantees an equivalent amount of State and/or local funds to meet residential placement costs that may occur (19 Texas Administrative Code [TAC] 89.61[b][2][B]).

The 25% set-aside for a member district in an SSA will be calculated on the member district's base planning amount unless otherwise specified in the SSA agreement.



Program Guidelines – p.21

1. Applicants must address within the application how they will achieve the following:
 - If CEIS funds were reserved during the previous one to three years, or if CCEIS funds were reserved in the previous year, the **SC5100 CEIS/CCEIS Data Collection** form must be submitted with this application. The deadline to submit the SC5100 form is **May 31st**.
 - The LEA must post to their public-facing website, if they maintain a public-facing website, the logo, hyperlink, description, and contact information for [SPEDTex](#), the Special Education Information Resource Center.

SPEDTex Description: The Special Education Information Center (SPEDTex) provides resources and interactive features for increasing parent awareness of disabilities and special education processes, with the goal of improving partnerships between schools and families.

Contact information:

Website: <https://www.spedtex.org/>

Phone: 1-855-773-3839

Email: inquire@spedtex.org

2. The grant program will be funded by reimbursement once the NOGA has been issued and the grantee submits payment requests through the Expenditure Reporting (ER) system. See [Expenditure Reporting](#).



Proportionate Share-Pages 27-31

Proportionate Share

Schedule **PS3502—Private Nonprofit Schools Participation** has a section that calculates the proportionate share of funds that must be expended on parentally-placed private school children with disabilities. During planning amounts at the beginning of the grant period, the PS3502 will calculate the proportionate share amount based on the planning funding amount. When final amounts are released later during the school year, the PS3502 will recalculate the proportionate share amount based on the final amount. The PS3502 must be re-saved when the LEA submits an amendment. During this re-save, the LEA should not change any of their child count numbers since the numbers are always based on the last Friday of October from the previous school year. However, the LEA should make note of the new proportionate share amount that was automatically calculated based on final amounts.

The LEA must make every effort to expend this proportionate share amount on parentally-placed private school children with disabilities. The cost of carrying out the child find requirements, including individual evaluations, may not be considered in determining if an LEA has met this obligation.

The LEA should maintain a log that identifies the services rendered and accounts for the time expended serving eligible students. To the degree necessary, the LEA employee paid from with proportionate share funds should also prepare a personnel activity report (i.e., time and effort). If the services are performed by contracted personnel and the LEA receives invoices that are sufficiently detailed to enable the LEA to determine if the contractor is performing pursuant to the terms of the contract, then the log discussed above is not necessarily required by the contractor. However, it is a practice in many LEAs to maintain a log such as the one described above to ensure that the contractor in fact rendered the contracted services.

Proportionate Share-Pages 27-31

Unused IDEA-B Proportionate Share Funds

In accordance with 34 CFR 300.133(a)(3); “If a Local Education Agency (LEA) has not expended for equitable services all of the funds described in paragraphs (a)(1) and (a)(2) of this section [proportionate share of funds to be expended on parentally-placed private school children with disabilities] by the end of the fiscal year for which Congress appropriated the funds, the LEA must obligate the remaining funds for special education and related services (including direct services) to parentally-placed private school children with disabilities during a carry-over period of one additional year.”

If, near the end of the carry-over year, it is apparent that all the proportionate share funds will not be expended, the funds may be expended by the LEA for other allowable costs for students with disabilities in the public schools. The particular circumstances of the LEA will determine how soon the LEA may use the proportionate share funds for the public-school students. LEAs should take into consideration that the grant year does not end until September 30.

RDSPD Coding - 40

Professional and Contracted Services — Class/Object Code 6200

This chart is not intended to be all-inclusive but is designed to provide examples for both program and budget development.

- All professional consulting services (6219) require specific approval, regardless of whether the services are short term, on a one-time basis, intermittent, long term, year-round, or ongoing.
- The 6200 cost items that do not require specific approval are summed in the Remaining 6200 field. Cost items that do not require specific approval include but are not limited to residential set-aside (6223), Education Service Center Services (6239), Contracted Maintenance and Repair of Equipment (6249), nonpublic day school tuition (6223), and RDSPD payments made to an RDSPD fiscal agent by a nonmember of the RDSPD SSA (6299).
- When an LEA makes a payment to another LEA for the provision of instructional services, the following applies to special education SSAs as well as to RDSPD SSAs: If the paying LEA is not a member of the SSA to which it is making payment, the payment is budgeted in class/object code 6299 (in the **Remaining 6200 Professional and Contracted Services That Do Not Require Specific Approval** section). If the paying LEA is a member of the SSA and is making a payment to the fiscal agent of its SSA, the payment is budgeted in class/object code 6492 (in the **Remaining 6400 Other Operating Costs That Do Not Require Specific Approval** section).
- You should not use or pay a consultant or contractor in the conduct of this application if the services to be rendered by the consultant or contractor could have been rendered by your employees. You must select consultants and contractors based on demonstrated competence, qualifications, and experience and on the reasonableness of the proposed fee.

Per FASRG – any payments to/from in an SSA are Function 93

In the Program Guidelines, Appendix A:



6100 – pp. 34-40

6200 – pp. 40-45

6300 – pp. 45-51

6400 – pp. 51-57

6500 & 6600– pp.57-64



TCASE
SERVICES BY DESIGN

Let's use the Appendix A to Answer:

- 1. Can the Special Ed Director be paid for with federal funds?**
- 2. Can you use federal funds for legal fees?**
- 3. Can these funds pay for routine classroom supplies?**
- 4. Can federal funds pay for general education teachers to attend training?**
- 5. Can these funds be used to update a classroom for special education purposes?**



TCASE
SERVICES BY DESIGN

State vs. Federal vs. Local

- Review the Supplement, Not Supplant Handbook
- Use Program Guidelines for Federal
- Use Legal Framework for State
 - “Use of State Special Education Fund”
- Use the Special Ed Live Binder (Or TBR Google Site)
 - “Allowable Use of Funds: State Funds for Special Education”
 - “Allowable Use of Funds: IDEA-B Regulations”

Important information from the Supplement, Not Supplant Handbook:

Federal funds **CANNOT** be used for any state mandated activity.

What are some examples and/or implications of this?

TEA Risk Assessment

From the Department of Grant Compliance and Administration

Federal Compliance Officer conducts annual risk assessment.

LEAs are assigned risk levels of low, medium or high.

TEA Risk Assessment Indicators 24-25

- I-1: Single-Audit Management Decision Letters with Sustained Findings
- I-2: IDEA-B LEA MOE Non-Compliance Final Report
- I-3: Monitored by FFM with Final Report Findings
- I-4: Monitored by SMD with Final Report Findings
- I-5: Grants Management Compliance Concerns
- I-6: Post Award Significant Issues with Program Applications
- I-7: Other TEA Division Risk Assessment Referrals
- I-8: Superintendent Turnover
- I-9: CFO/Business Manager Turnover
- I-10: LEAs Not Required to Conduct a Single-Audit in FY23 per [2 CFR 5200.501](#)
- I-11: Monitored by FFM and SMD with Final Report Disallowed Costs
- I-12: FY22 or FY23 Non-Compliance Resolution Referral (non-compliant for 2 years during Random Validation)



TEA Risk Assessment Indicators 24-25

- I-13: FY22 or FY23 Federal Program Non-Compliance:
 - Late or no submission of ESSA Consolidated Compliance Report
 - Not in Compliance of ESSA Consolidated Report Program Compliance Self-Check Requirements
- I-14: LEAs not Fiscally Monitored by GCA (within the past 5 years)
- I-15: LEA Historical Risk Status Designation
- I-16: Appointed a Board of Managers by the Commissioner of Education under [TECS 39A.004](#) and the Board of Managers still governs the district
- I-17: An LEA is currently served by a Fiscal Conservator, appointed by the Commissioner of Education under [TECS 39A.002](#)
- I-18: Ad Hoc Referrals to the Federal Compliance Officer
- I-19: Number of Overdue Non-Compliance or Refunds or Documents for FY23 and FY24
- I-20: TEA High-Risk Designation, [2 CFR §3474.10](#).



High Risk Grantee Designation

Specific conditions imposed by TEA on federal grants may include:

1. **Requiring payments as reimbursements rather than advance payments.**
Your organization would not be able to draw down funds automatically using TEA's expenditure reporting (ER) system.
2. **Requiring additional, more detailed financial reports.**
Your organization would not be able to draw down its funds automatically using TEA's expenditure reporting system (ER). Your organization would be required to submit all its unreimbursed expenditures to TEA at least once each month for each federal grant and include fiscal records such as general ledgers, payroll journals, and source documents. If your organization does not have any expenditures for a given month, you must notify TEA. Your organization must ensure that each reimbursement request is for funds that have already been obligated and recorded in the general ledger.
3. **Requiring additional project monitoring.**
Before approving payment, TEA would randomly review financial records submitted by your organization for compliance with each grant's general and specific federal requirements.



TEA Risk Assessment Indicators 25-26

Previous Risk Indicators to be Reintroduced in 25-26:

High Carryover for Grant Funds (IDEA-B 50%)

Lapsed Grant Funds

Concerns with Timely Drawdown of Grant Funds (No drawdowns by January 31, 2025)

Large Amount of Federal Expenditures Compared to Total Operating Costs

Maintenance of Effort (MOE)

MOE

- ❖ MOE is the federal requirement that the costs of educating a student with a disability is not covered solely by IDEA-B funds.
- ❖ IDEA-B funds are to SUPPLEMENT, not supplant state and local effort, and should be used to pay the “excess cost” of educating students with disabilities.

MOE – Two parts to the story...

- ❖ MOE ELIGIBILITY that is *predicting* compliance is reported in the grant.
- ❖ Actual COMPLIANCE isn't checked until the spring.

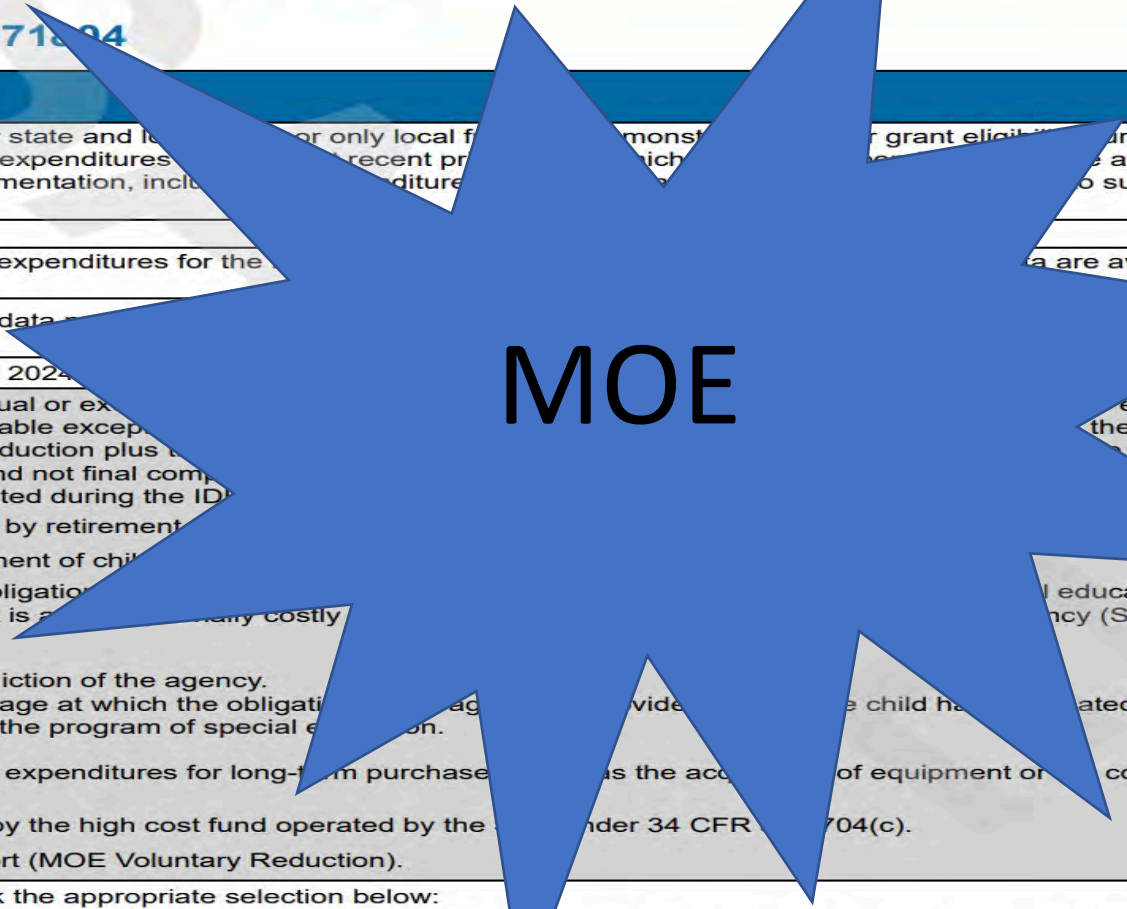
BS6016 Fiscal Compliance Requirements

Part 1: LEA MOE (Maintenance of Effort) for Eligibility and MOE Reduction

Per 34 CFR 300.203(a, b), to be eligible to receive an IDEA-B grant, each LEA must ensure that the amount of state and local funds or only local funds it budgets for the education of children with disabilities in that year is at least the same, either in total or per capita, as the amount it expended for services to children with disabilities in the most recent prior year for which information is available. Amounts indicated on lines 1 and 2 should be from the same fund source, meaning either state and local funds or only local funds.

EL PASO ACADEMY - 0718004

A. LEA MOE for Eligibility	
Enter the amounts below, of either state and local funds or only local funds, for grant eligibility purposes. Remember, to be eligible the budgeted amount must equal or exceed the expenditures in the most recent prior year in which data are available and the LEA was in MOE compliance. LEAs must ensure auditable documentation, including expenditures, to support the data reported and must be made available to TEA upon request.	
	Expenditure
1. a) Amount of special education expenditures for the year in which the LEA was in MOE compliance.	
b) <input type="checkbox"/> The LEA verifies that the data are available and the LEA was in MOE compliance for final compliance review.	
2. Budget for special education for 2024	
3. If the LEA's budget does not equal or exceed the amount of state and local funds available, due to federally allowable exceptions, the LEA must budget a reduction. The amount of the reduction plus the amount of the budgeted reduction are the amount of the budgeted reduction for grant eligibility purposes only and not final compliance. The amount of the budgeted reduction must be reviewed and approved or rejected during the IDEA-B grant eligibility review. State reconsiderations will be considered during the IDEA-B grant eligibility review.	Budgeted Reduction Amount
a) <input type="checkbox"/> The voluntary departure, by retirement or resignation, of personnel.	
b) <input type="checkbox"/> A decrease in the enrollment of children with disabilities.	
c) <input type="checkbox"/> The termination of the obligation to provide special education to a particular child with a disability that is a result of a state reconsideration (SEA), because the child- <ul style="list-style-type: none"> • Has left the jurisdiction of the agency. • Has reached the age at which the obligation to provide special education to the child has terminated. • No longer needs the program of special education. 	
d) <input type="checkbox"/> The termination of costly expenditures for long-term purchase, lease, or construction of school facilities.	
e) <input type="checkbox"/> The assumption of cost by the high cost fund operated by the LEA under 34 CFR 300.704(c).	
f) <input type="checkbox"/> Adjustment to Fiscal Effort (MOE Voluntary Reduction).	
4. Assurance of Eligibility Check the appropriate selection below:	
<input type="radio"/> The LEA assures it used the state and local expenditures (in total or per capita), in the most recent prior year in which data are available and the LEA was in MOE compliance, and has budgeted at least the same amount of state and local funds in the coming year, or budgeted reduced amount due to federally allowable exceptions or state reconsiderations.	
<input type="radio"/> The LEA assures it used the local expenditures (in total or per capita), in the most recent prior year in which data are available and the LEA was in MOE compliance, and has budgeted at least the same amount of local funds in the coming year, or budgeted reduced amount due to federally allowable exceptions or state reconsiderations.	



BS6016 Fiscal Compliance Requirements

Part 2: Coordinated Early Intervening Services (CEIS) or Comprehensive Coordinated Early Intervening Services (CCEIS) Requirements

A. CEIS or CCEIS Allocation (included in totals budgeted on BS6001)					
LEA Name	Current Year/New Allocation				Carryover
	Max CEIS/CCEIS Reserve	Total CEIS/CCEIS	Reserved from IDEA-B Formula	Reserved from IDEA-B Preschool	Will LEA expend CCEIS funds reserved in the prior year during the carryover period?
1. <input type="text" value="Select One"/>					<input type="radio"/> Yes <input type="radio"/> No <input checked="" type="radio"/> N/A

Add Member District

Delete Member District

B. Confirmation of CEIS or CCEIS Requirements

- LEAs may use up to 15 percent of their IDEA-B funds (FAR codes 224/313 and 225/314) for any fiscal year to develop and implement coordinated early intervening services (CEIS) for students in grades K-12 (with a particular emphasis on students in kindergarten through grade 3) who have not been identified as needing special education or related services but who need additional academic and/or behavioral support to succeed in a general education environment. LEAs identified with significant disproportionality based on race or ethnicity are required to use the full 15 percent of the total of their 224/313 and 225/314 funds for comprehensive coordinated early intervening services (CCEIS). LEAs accessing IDEA-B funds for CEIS are required to track, collect, maintain, and report data via the SC5100 CEIS Data Collection Form the number of students served with CEIS and the number of those students who subsequently received special education and/or related services during the year they were served with CEIS and the following two years after being served with CEIS. The SC5100 form must be submitted annually for three years following the use of CEIS funds. LEAs should use a local option code that uniquely identifies the cost objective used to account for the expenditure of CEIS or CCEIS funds. For further information, refer to the program guidelines associated with this grant application.



MOE – Reminders

- ❖ Compliance is based on four tests
 - ❖ Test One - Local Only Total Expenditure
 - ❖ Test Two - State & Local Total Expenditure*
 - ❖ Test Three - Per Capita Local Only
 - ❖ Test Four - Per Capita State and Local

Only need to pass ONE test to be compliant
Failure does NOT reset the compliant amount

MOE – Reminders

TEA Resources Page:

<https://tea.texas.gov/finance-and-grants/grants/federal-fiscal-compliance-and-reporting/idea-fiscal-compliance/idea-b-lea-maintenance-of-effort>

Has Calculation Tool, Exceptions Workbook, links to training videos, examples of documentation, etc...



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SERVICES BY DESIGN

MOE – Reminders

- ❖ MOE always runs a year behind –
 - ❖ Spring 2024 comparison of 21-22 to 22-23
 - ❖ Spring 2025 comparison of 22-23 to 23-24
- ❖ Has **NOTHING** to do with special education revenue
- ❖ Has **EVERYTHING** to do with actual expenditures

SSAs - Total Special Education Expenditures

- ❖ Includes the 033 PEIMS record of the SSA fiscal agent which shows what the SSA *spent* on behalf of member districts from its 437 budget.
- ❖ That 437 budget reflects the total payments from Member Districts from their 199 accounts, which DO NOT count toward MOE calculations.

MOE Calculation – Includes 3 PIC Codes

- ❖ PIC 23 – Special Education
- ❖ PIC 33 – Pre-K Special Education
- ❖ PIC 43 – Dyslexia Special Education

MOE – Basics

The Special Ed Fiscal Compliance Survey submitted in October is a self-reporting of SHARS revenue spent on Special Education in the previous year.

Anything reported is an automatic deduction from the amount TEA pulls from PEIMS to calculate MOE Preliminary Report.

MOE – SHARS Example

Great Job ISD had \$250,000 in expenditures for 199 PIC 23, 33, and 43 at the close of the 23-24 school year.

In October 2024, they reported \$20,000 of SHARS revenue being spent on Special Education.

Spring 2025 - Preliminary Report Test 2 – Shows expenditures of \$230,000

Preliminary Report:

LEA Name:

CDN:

Region:

Status: **Compliant**

	Item Description	Test Methods				Special Ed Student Population	Refund Due*
		Test 1 Local Only	Test 2 State and Local	Test 3 Per-Capita Local Only	Test 4 Per-Capita S&L		
(a)	Last compliant SY for test method	2018-2019	2019-2020	2018-2019	2018-2019		
(b)	Last compliant SY total expenditure and per-capita expenditure amounts	\$524,817.70	\$688,410.00	\$9,902.22	\$12,296.57		
(c)	Last compliant SY special education student count			53	53		
(d)	2021-2022 SY total expenditure and per-capita expenditure amounts	\$374,734.18	\$777,085.00	\$5,063.98	\$10,501.15	74	
(e)	Variance (negative only)	(\$150,083.52)		(\$358,030.16)	(\$132,860.89)		
(f)	Intervening Years-total exceptions and/or adjustments to fiscal effort validated by TEA	\$0.00	\$0.00	\$0.00	\$0.00		
(g)	Preliminary deficiency amounts (only for failing results)	(\$150,083.52)		(\$358,030.16)	(\$132,860.89)		
(h)	Preliminary compliance result (Pass/Fail)	Fail	Pass	Fail	Fail		
(i)	Current Year-total exceptions and/or adjustments to fiscal effort validated by TEA						
(j)	Final deficiency amounts (only for failing results)						
(k)	Final compliance result (Pass/Fail)						\$0.00

NOTE:



If Preliminary Report Has:

- ❖ ANY of the 4 Tests “Pass”
District met MOE obligation
- ❖ ANY of the 4 Tests “Fail”
COULD submit exceptions if you had them
- ❖ ALL 4 Tests “Fail”
Submit Exceptions by TEA’s deadline OR
Paying Back Funds



Final Compliance Report - Page 1

FINAL
IDEA-B LEA MOE Compliance Review
School Year (SY) 2022-2023
(Fiscal Year 2023)

LEA Name: CDN: Region: Status: **Compliant**

	Item Description	Test Methods				Special Ed Student Population	Refund Due*
		Test 1 Local Only	Test 2 State and Local	Test 3 Per-Capita Local Only	Test 4 Per-Capita S&L		
(A)	Last compliant SY for test method	2018-2019	2021-2022	2015-2016	2014-2015		
(B)	Last compliant SY total expenditure and per-capita expenditure amounts	\$2,446,474.73	\$4,712,030.00	\$5,070.17	\$9,340.64		
(C)	Last compliant SY special education student count			483	470		
(D)	2022-2023 SY total expenditure and per-capita expenditure amounts	\$1,657,147.58	\$4,806,263.00	\$2,912.39	\$8,446.86	569	
(E)	Variance (negative only)	(\$789,327.15)		(\$1,227,778.78)	(\$508,558.98)		
(F)	Intervening Years-total exceptions and/or adjustments to fiscal effort validated by TEA	\$77,388.42	\$0.00	\$273,027.61	\$359,220.92		
(G)	Preliminary deficiency amounts (only for failing results)	(\$711,938.73)		(\$954,751.17)	(\$149,338.06)		
(H)	Preliminary compliance result (Pass/Fail)	Fail	Pass	Fail	Fail		
(I)	Current Year-total exceptions and/or adjustments to fiscal effort validated by TEA	\$53,622.12	\$53,622.12	\$63,169.74	\$64,916.99		
(J)	Final deficiency amounts (only for failing results)	(\$658,316.61)		(\$891,581.43)	(\$84,421.07)		
(K)	Final compliance result (Pass/Fail)	Fail	Pass	Fail	Fail		\$0.00

NOTE:



Final Compliance Report- Page 2

Subsequent Year:
School Year (SY) 2023-2024
(Fiscal Year 2024)

LEA Name: CDN: Region:

Item Description	Test Methods			
	Test 1 Local Only	Test 2 State and Local	Test 3 Per-Capita Local Only	Test 4 Per-Capita S&L
Last compliant SY for test method	2018-2019	2022-2023	2015-2016	2014-2015
Last compliant SY total expenditure and per-capita expenditure amounts	\$2,446,474.73	\$4,806,263.00	\$5,070.17	\$9,340.64
Last compliant SY special education student count			483	470
Cumulative Exceptions/Adjustments	\$131,010.54	\$0.00	\$285,383.69	\$350,342.39

NOTE: These are the comparison amounts for each test method that will be used for SY 2023-2024 IDEA-B LEA MOE calculations. Cumulative Exceptions/Adjustments may be applied to test methods with a 'Fail' compliance result.

Using Test 2, this district would need to spend at least \$4,806,263 (minus any exceptions) for 199 PIC 23, 33 and 43 (in addition to their part of the 033 record if they are part of an SSA) before closing their books.

The First Step in Taking Control of MOE: Using the Final Compliance Report as a Tool

For this year (24-25) -

Use of the Final Report from Spring 2025 to:

- ❖ Complete Schedule BS6016 in the 25-26 IDEA-B Consolidated Grant
- ❖ Establish the state/local budget for 25-26
- ❖ Close the books for 24-25 (both for spending and completing the calculation tool)



TCASE
SERVICES BY DESIGN

MOE – MOST Important Take-Away

Because of the ability to run predictive calculations prior to closing the books at the end of a school year, the preliminary report that the district receives the following spring should not be a surprise.

MOE – Second MOST Important Take-Away

MOE should NOT be driving the special education budget.

FAPE should be determining the special education budget.

Using the Tool for Calculations:

Follow this link:

https://tea.texas.gov/Finance_and_Grants/Grants/Federal_Fiscal_Compliance_and_Reporting/IDEA_Fiscal_Compliance/IDEA-B_LEA_Maintenance_of_Effort/

Using the Tool for Calculations:

Download the Excel Spreadsheet “2023-24 IDEA-B LEA MOE Calculation Tool”; start gathering any documentation needed for exceptions and download Excel Spreadsheet “2023-24 IDEA-B LEA MOE Exceptions Workbook.”

You can run preliminary numbers periodically through the year in preparation and in order to make appropriate adjustments to spending, if necessary, but especially in June/August (depending on the end date of your fiscal year).

Using the Tool for Calculations:

Summary Calculation Page 1

Enter CDN

Enter Compliance Review School Year

Fcn Code	Function Code Name	Original Required Level of Effort (Actual expenditure & per-capita amounts from last compliant school year for test method. Populated from page 2 data entry.)	Actual Level of Effort (Actual expenditure & per-capita amounts for compliance review school year. Populated from page 3 data entry.)	Variance (negative amounts only) (Difference between Original Required Level of Effort and Actual Level of Effort)	Amount of Cumulative Exceptions/Adjustments Intervening Years (Populated from page 2 data entry.)	Deficiency	Test Result
11	Instruction		\$ -				
12	Instructional Resources and Media Services		\$ -				
13	Curriculum and Instructional Staff Development		\$ -				
21	Instructional Leadership		\$ -				
23	School Leadership		\$ -				
31	Guidance and Counseling Service		\$ -				
32	Social Work Services		\$ -				
33	Health Services		\$ -				
34	Student (Pupil) Transportation		\$ -				
36	Cocurricular/Extracurricular Activities		\$ -				
41	General Administration		\$ -				
51	Plant Maintenance and Operations		\$ -				
53	Data Processing Services		\$ -				
71	Debt Service (Include ONLY Object Codes 6512, 6514, 6522, and 6526)		\$ -				
	SSA expenditures paid on behalf of member LEA		\$ -				
	Subtotal of State and Local Expenditures		\$ -				
	<i>less SHARS reimbursement expended in special education</i>		\$ -				
Test 2	State and Local Expenditures (Test 2)	\$ -	\$ -	\$ -	\$ -	\$ -	
	Special Education Student Count - Compliance Review Year						
Test 4	Per-Capita State and Local (Test 4)	\$ -	\$ -	\$ -	\$ -	\$ -	
Test 1	Local Only Expenditures (Test 1)	\$ -	\$ -	\$ -	\$ -	\$ -	
Test 3	Per-Capita Local Only (Test 3)	\$ -	\$ -	\$ -	\$ -	\$ -	
	Potential Refund (smallest deficiency of all four tests)			\$ -			

Preliminary Status:



TCASE
SERVICES BY DESIGN

Using the Tool for Calculations:

Last Compliant Year Information (to be entered by LEA)
Page 2

0				
Test Methods	Original Required Level of Effort	Last Compliant School Year	Special Education Student Count - Last Compliant School Year	Amount of Cumulative Exceptions/Adjustments, Intervening Years
Local Only (Test 1)		Select from pull-down list		
State and Local (Test 2)		Select from pull-down list		
Per-Capita Local Only (Test 3)		Select from pull-down list		
Per-Capita State and Local (Test 4)		Select from pull-down list		
Using data from the "Expenditure and Per-Capita Expenditure Report," page 2 of the FINAL IDEA-B LEA MOE Compliance Review for the prior compliance review school year.	Enter your LEA's expenditure and per-capita expenditure amounts from the last compliant school year for each test method.	Select from the pull-down list the last compliant school year for each test method.	Enter the student count for the last compliant school year.	If the last compliant school year is not 2021-2022, enter the amount of cumulative exceptions and/or adjustment to fiscal effort that the LEA submitted in the intervening years that were validated by TEA but did not bring the LEA into compliance for a test method.



Completing the Calculation Tool

Special Considerations:

- ❖ “Intervening Years” – Those exceptions will be ‘stored’ (basically) if you ‘Fail’ one of the MOE tests but the exception doesn’t bring you to passing.
- ❖ You submit the exceptions; still do not pass; send money back to TEA; the amount of the exceptions ‘carry forward’ to the next year.

Final Compliance Report- Page 2

Subsequent Year:
School Year (SY) 2023-2024
(Fiscal Year 2024)

LEA Name: CDN: Region:

Item Description	Test Methods			
	Test 1 Local Only	Test 2 State and Local	Test 3 Per-Capita Local Only	Test 4 Per-Capita S&L
Last compliant SY for test method	2018-2019	2022-2023	2015-2016	2014-2015
Last compliant SY total expenditure and per-capita expenditure amounts	\$2,446,474.73	\$4,806,263.00	\$5,070.17	\$9,340.64
Last compliant SY special education student count			483	470
Cumulative Exceptions/Adjustments	\$131,010.54	\$0.00	\$285,383.69	\$350,342.39

NOTE: These are the comparison amounts for each test method that will be used for SY 2023-2024 IDEA-B LEA MOE calculations. Cumulative Exceptions/Adjustments may be applied to test methods with a 'Fail' compliance result.



Using the Tool for Calculations:

LEA Name

Fcn Code	Function Code Name	PIC 23	PIC 33	PIC 43	Totals
11	Instruction	\$ -	\$ -	\$ -	\$ -
12	Instructional Resources and Media Services	\$ -	\$ -	\$ -	\$ -
13	Curriculum and Instructional Staff Development	\$ -	\$ -	\$ -	\$ -
21	Instructional Leadership	\$ -	\$ -	\$ -	\$ -
23	School Leadership	\$ -	\$ -	\$ -	\$ -
31	Guidance and Counseling Service	\$ -	\$ -	\$ -	\$ -
32	Social Work Services	\$ -	\$ -	\$ -	\$ -
33	Health Services	\$ -	\$ -	\$ -	\$ -
34	Student (Pupil) Transportation	\$ -	\$ -	\$ -	\$ -
36	Cocurricular/Extracurricular Activities	\$ -	\$ -	\$ -	\$ -
41	General Administration	\$ -	\$ -	\$ -	\$ -
51	Plant Maintenance and Operations	\$ -	\$ -	\$ -	\$ -
53	Data Processing Services	\$ -	\$ -	\$ -	\$ -
71	Debt Service (Include ONLY Object Codes 6512, 6514, 6522, and 6526)	\$ -	\$ -	\$ -	\$ -
	SSA expenditures paid on behalf of member LEA	\$ -	\$ -	\$ -	\$ -
	Subtotal of State and Local Expenditures	\$ -	\$ -	\$ -	\$ -
	SHARS reimbursement expended in special education (enter as a positive number)	\$ -	\$ -	\$ -	\$ -
	Total State and Local Expenditures	\$ -	\$ -	\$ -	\$ -

Summary of Finance (SOF), first "Near Final" payment cycle report

	LPE column of SOF	
Line 23 of SOF	Special Education Adjusted Allotment	\$ -
Line 43 of SOF	Total Cost of Tier I	\$ -
Line 44 of SOF	Less Local Fund Assignment (enter a positive number)	\$ -
	Tier I Local Share (imputed)	\$0
	Tier I State Share (imputed)	\$0
	%Local	0.00%
	%State (for information only)	0.00%



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SERVICES BY DESIGN

Lower your MOE by taking a voluntary reduction.

34 CFR 300.205 - Adjustment to Fiscal Effort (MOE Voluntary Reduction)

IDEA allows an LEA to reduce the MOE threshold when the IDEA Part B (611) formula allocation (does not include 619, preschool allocation) increases from the prior year to the current year. If the LEA takes advantage of the adjustment, any state and/or local funds that are no longer dedicated to special education must be spent on activities authorized under the Elementary and Secondary Education Act (ESEA) as required by 34 CFR §300.205(b).

Supporting Documentation Requirement: None.

Eligibility Criteria: To be eligible to voluntarily reduce fiscal effort, an LEA must meet all 3 of the following criteria:

- (1) In the **2021-2022 Texas Academic Performance Report (TAPR)**, the LEA received a Special Education Determination Status of "Meets Requirements";
- (2) At the end of school year 2022-2023, the LEA was **NOT** identified as having significant disproportionality; and
- (3) For school year 2023-2024, the LEA had an increase in its IDEA-B 611 maximum entitlement from the prior year.

Instructions for Lines 1-3 below:

1. Enter amount of the maximum MOE voluntary reduction allowed, calculated by subtracting the 2022-2023 611 allocation from the 2023-2024 611 allocation and dividing the difference by 2.
2. Enter amount of the maximum CEIS set-aside allowed for 2023-2024, calculated by adding the 2023-2024 611 and 619 allocations together and multiplying by .15 (15%).
3. No data entry required – lesser of the two max amounts is auto-populated.

Determination of Maximum Amounts Allowed

	2023-2024
1. MOE voluntary reduction max allowed (50% of increase in 611 IDEA-B formula final allocation)	\$ -
2. Coordinated Early Intervening Services (CEIS) set-aside max allowed (up to 15% of combined 611 IDEA-B formula and 619 IDEA-B preschool allocations)	\$ -
3. Lesser of two max amounts indicated on lines 1 and 2 (auto-populated)	\$ -

Instructions for Lines 4-5 below:

4. Select Yes or No in the dropdown box as to whether or not the LEA set-aside 2023-2024 IDEA-B allocation for CCEIS/CEIS. If Yes is selected, indicate amount.
5. Enter the actual amount of the LEA's MOE voluntary reduction.

Actual Amounts for MOE Voluntary Reduction and CCEIS/CEIS Set-aside

	2023-2024
4. Did the LEA set-aside 2023-2024 IDEA-B allocation for CCEIS/CEIS?	Select Yes or No
5. Actual amount of 2023-2024 MOE voluntary reduction:	\$ -

TEA has posted a list of eligible districts and eligible amounts for 23-24:
[TEA List of LEAs - Voluntary Reduction](#)



Lower your MOE by taking a voluntary reduction.

(For the 23-24 year)

Example:

LEA has \$10,000 more in final IDEA-B entitlement.

Front page of 21-22 TAPR report shows “Meets Requirement”

LEA was not identified as significantly disproportionate Year 3

Reduce MOE by \$5,000. (Must be spent on ESSA activities)

(Special rules apply if you are using CEIS (Coordinated Early Intervening Services money)

TEA has begun publishing a list of eligible districts/amounts.



Plan for/have documentation of allowable exceptions

34 CFR 300.204(a) - Voluntary Departure or Departure for Just Cause of Special Education or Related Services Personnel

Voluntary departure, by retirement or otherwise, or departure for just cause of special education or related services personnel does not include contract non-renewal, reassignment, or staff lay-off due to reduction-in-force (RIF). "Departure for just cause" refers to the labor language regarding misconduct of an employee, or some other event relevant to the employee, which justifies the immediate termination of the employment contract.

Supporting Documentation Requirement: LEA must submit supporting documentation for validation purposes which includes both of the following: 1) Year-to-date payroll journal of listed employees, and 2) Human Resources personnel record supporting basis of departure (resignation letter, retirement letter, personnel action form, etc.).

Employee Name - Departure	Reason for Departure (choose from drop-down menu)	Employment END DATE (MM/DD/YYYY)	2022-2023 State and Local Salary and Benefits \$\$ (Fund 199, 420, 437; PIC 23, 33, 43)	Employee Name - Replacement (if applicable)	Employment BEGIN DATE (MM/DD/YYYY)	2023-2024 State and Local Salary and Benefits \$\$ (Fund 199, 420, 437; PIC 23, 33, 43)	
	Retirement						
	Resignation						
	Just Cause						
	Death						
	<<Select one>>						
	<<Select one>>						
	<<Select one>>						
	<<Select one>>						
	<<Select one>>						
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Departure SubTotal			\$ -	Replacement SubTotal			\$ -
						Total	\$ -

Note: Departure for Just Cause is NOT the same thing as non-renewal. Non-renewal is NOT an exception.



For example, at the end of 22-23, a special education teacher retired and was replaced with a first-year teacher. The difference in salary and benefits: \$12,000

In 23-24, district shows \$12,000 less in special education expenditures.

Preliminary Report next spring will have TEST 2 as “Fails” by \$12,000.

Submit required information in the Exceptions Workbook

Final Report: Passing and with a NEW lower threshold

Plan for/have documentation of allowable exceptions

Contracted
Services?



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34 CFR 300.204(b) - Decrease in the Enrollment of Children with Disabilities

The decrease in enrollment of children with disabilities must have occurred from the 2022-2023 to 2023-2024 school year. The LEA must provide a description of the expenditures reduced that the LEA wishes to claim based on a decrease in enrollment of children with disabilities and provide supporting documentation. Examples of expenditures reduced due to a decrease in enrollment of children with disabilities may include, but are not limited to, special education staff reassignment to general education; special education teacher or administrator layoff; and/or closure of a self-contained classroom/unit (combining/merger with another).

Supporting Documentation Requirement: LEA must submit supporting documentation for validation purposes which may include general ledger, year-to-date payroll journal/report, etc., or any other support documents that justify the amount attributed to decrease in enrollment.

Description of Reduction in Special Education Expenditures Attributable to a Decrease in the Enrollment of Children with Disabilities	2022-2023 Expenditures (Fund 199, 420, 437; PIC 23, 33, 43)
Total	\$ -

- Important Note: This applies **not** to just a decrease in program enrollment, but also to the changing needs of a specific program. Example: Three students in a behavior class. One moves away, and the other two students are able to function in the general education setting so the district no longer needs to fund that program.



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34 CFR 300.204(c) - Termination of Obligation for Exceptionally Costly Program to a Particular Student

Termination of an exceptionally costly obligation to a particular child with a disability because the child has left the jurisdiction; has reached the age at which the obligation to provide a free appropriate public education (FAPE) to the child is terminated; or no longer needs the program of special education. For the student's cost to qualify as an exceptionally costly program, the aggregate cost of expenditures the LEA may claim are those greater than \$12,951 (2022-2023 school year). Examples of costs to document are state and local fund expenditures in excess of \$12,951 (2022-2023 school year) which may include, but are not limited to, one-on-one paraprofessional or attendant care aide; specialized transportation; private or public placement (by the IEP team) tuition; educational interpreter; and/or hearing impaired or visually impaired teacher.

Supporting Documentation Requirement: LEA must submit supporting documentation for validation purposes which may include general ledger, payroll report, etc., or any other document supporting the amount attributed to termination of an exceptionally costly program to a particular student.

Student Name (First, Middle, Last Name)	Date of Birth (MM/DD/YYYY)	Student Identification Number	Reason for Termination of Obligation (choose from drop-down menu)	2022-2023 State and Local Expenditures for this Student in excess of \$12,951 (Fund 199, 420, 437; PIC 23, 33,43)
			Left LEA	
			Ages out/Graduates	
			No longer needs program (service change in IEP)	
			<<Select One>>	
			<<Select One>>	
			<<Select One>>	
			<<Select One>>	
			<<Select One>>	

Can claim the amount that **exceeds** \$12,951.
(Same for for 24-25 according to current High Cost Fund guidance).



34 CFR 300.204(d) - Termination of Costly Expenditures for Long-term Purchases

Only expenditures in class-object code 66xx are eligible. The LEA must have a capital outlay expenditure, such as the acquisition of equipment or construction of school facilities. Equipment means an article of nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost which equals or exceeds \$5,000 or the LEA's established capitalization level, whichever is less. Capital expenditures, or capital outlay, means expenditures for the acquisition of capital assets, such as equipment, or expenditures to make improvements to capital assets that materially increase their value or useful life.

Supporting Documentation Requirement: LEA must submit supporting documentation for validation purposes which may include general ledger, invoice, etc., or any other support documents that justify the amount attributed to termination of costly long-term purchase.

Description of Long-Term Purchase	Date of Purchase (MM/DD/YYYY)	2022-2023 Expenditures (Fund 199, 420, 437; PIC 23, 33,43)



34 CFR 300.204(e) - Assumption by High Cost Grant

This exception applies to expenditures for a particular student which were previously paid out of state and/or local funds (Fund codes 199, 420, 437) and which were assumed in the following year by the High Cost Grant (Fund 226).

Supporting Documentation Requirement: LEA must submit supporting documentation for validation purposes which may include general ledger, year-to-date payroll journal/report, etc., or any other support documents that justify the amount attributed to assumption by High Cost Grant.

Description of State and Local Expenditures Assumed by High Cost Grant in 2023-2024	2022-2023 Expenditures (Fund 199, 420, 437; PIC 23, 33, 43)



Plan for/have documentation of allowable exceptions

If you have any of these exceptions, calculate the total amount and have all the documentation in a folder, ready to be submitted. (These can help you meet MOE if you failed OR reduce your threshold of spending if you receive SHARS.)

Each exception will have its own set of documentation.

See the MOE Exceptions Workbook for instructions.

Use SHARS Revenue for Special Education Expenditures

- ❖ Create a sub-object code in your SHARS Revenue code.
- ❖ Track special education expenditures equal to the amount you've overspent your MOE threshold with the same sub-object code.
- ❖ When asked, submit to TEA that tracked amount of SHARS that was spent on special education.

Recommend that you do this before you close your books so that you can use that sub-object code to prove the funds were spent on special education.

Use SHARS Revenue for Special Education Expenditures

Example:

Amount to Spend from GFFC: \$100,000

Actual Amount Spent: \$125,000

Recode \$25,000 to SHARS Special Education Expenditures

Report to TEA: \$25,000 SHARS Spent on Special Education

Amount that will be on Preliminary Report from TEA: \$100,000

MOE – Controlling Your Story

- ❖ In Spring 2025 (reflecting 23-24 MOE compliance), Good Job ISD's Test 2 on Page 2 of the final MOE compliance report was \$450,000.
- ❖ In 23-24, the district bought a special education bus for \$85,000. (So the district could spend \$85,000 less in 24-25 because they have this as an exception)
- ❖ In 24-25, the district closed their books with \$475,000 in special ed expenditures.

MOE – Controlling Your Story

- ❖ The district could report \$110,000 of SHARS spent on special ed. (\$25,000 overage plus \$85,000 exception).
- ❖ The preliminary test in Spring '26, would show \$365,000 (\$475,000 - \$110,000). They are failing by \$85,000. They submit the bus exception.

MOE – Controlling Your Story

- ❖ Final report shows they are passing with a new, lower threshold of \$365,000
- ❖ In 25-26, a veteran special ed teacher moves into a general ed role and their replacement's salary and benefits are \$10,000 less. No exception.
- ❖ In 25-26, the district joined an SSA and saved another \$30,000. No exception.
- ❖ Total spent \$410,000.
- ❖ Because the district built a cushion, they are passing.

Perhaps you were made
for such a time as this!

Thank You!!!



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