Special Education State Aid and Federal Information

April 2022

Michigan Department of Education Office of Special Education



Learning Outcomes

- Learn current special education review processes and common errors.
- Understand the current status and issues related to the IDEA fiscal requirement related to Maintenance of Effort and Excess Cost.
- Identify current special education current issues and due dates.

State Aid Cost Reports

Review of State Aid cost report process, common errors and direct O&M.

Special Education Cost Report Data

All districts must file:

- Special Education Actual Cost Report (SE-4096)
- Transportation Expenditure Report (SE-4094)

The SE-4096/4094 cost report collections are managed by the Center for Education Performance & Information (CEPI).

 Data is submitted to CEPI by districts via the Financial Information Database (FID).

State Aid Cost Reports – 2022 Dates

Special Education Actual Cost Report (SE-4096)

- FID Opens for data collection
 - August 3, 2022
- FID closes, report DUE
 - September 30, 2022

Transportation expenditure report (SE-4094)

- FID Opens for data collection
 - August 1, 2022
- FID closes, report DUE
 - o October 7, 2022

CEPI Master Calendar

Cost Reports Review Process

OSE Financial Analyst comprehensive review includes:

- Completeness
- Accuracy
- Allowability
- Modifications required
 - Report is reopened and sent to district
 - Modifications made and resubmitted
- Cost report Approved by State

Special Education Cost Report (SE-4096) Common Errors

- High Benefit to Salary Ratio
- Purchased Services Staff Expenditures
- Missing Attachments
 - Capital Outlay
 - Michigan Rehabilitation Services (MRS)
- Audited Pupil Membership Report (DS-4120)
 Discrepancies
- Capital Outlay Expenditures

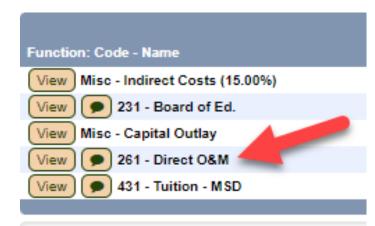
Transportation Expenditures (SE-4094) Common Errors

- SE-4107 School Bus Inventory Report Discrepancies
 - Vehicle Counts
 - Vehicle Classifications
 - Spare Vehicles
- Amortization
- District Owned Car or Minivan Expenditures

Direct Operation and Maintenance (O&M)

Direct O&M is reported on the SE-4096

- Line (261) Direct O&M
- Additional information in:
 - SE-4096 Instructions
 - Cost allowability document
- Technical Assistance needed:
 - Contact OSE Program Finance
 - JL Purves, <u>PurvesJ@michigan.gov</u>
 - Shelby Zenk, <u>ZenkS@michigan.gov</u>



Direct Operation and Maintenance (O&M)

Considerations:

- Eligibility is limited to facilities used solely for Special Education.
- Total Indirect and Direct O&M costs cannot exceed 15 percent of instruction support costs reported.
- Instructional and support costs associated with the facility of direct charge are excluded from indirect rate calculated costs.

Direct O&M Calculation Documentation

Submitted documentation MUST include:

- Special Education Facility eligible for direct charge.
 - Breakdown of allowable direct charges.
- List of special education programs, support services, and related service personnel housed in the facility.
 - Salaries and related cost for each.
 - Calculation used to deduct these costs from the indirect cost claimed by line item.

MDE Office of Special Education

Federal Information

Maintenance of Effort / Excess Cost

IDEA Maintenance of Effort

2020-21 MOE Compliance Testing Results

- Early concern regarding the anticipated number of ISDs with shortfalls
- Testing results 3 ISDs with shortfalls
- Anticipate all submitting allowable exceptions resulting in a "Met" status

2021-22 MOE Compliance

 Concern remains regarding the anticipated number of ISDs with shortfalls (testing 3/2023)

IDEA Maintenance of Effort cont.

Entering Exceptions, Part 4

- New this year is a Test Results Preview page.
- After saving exceptions, visit this page to preview the impact of saved exceptions before submitting to the MDE.



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Excess Costs

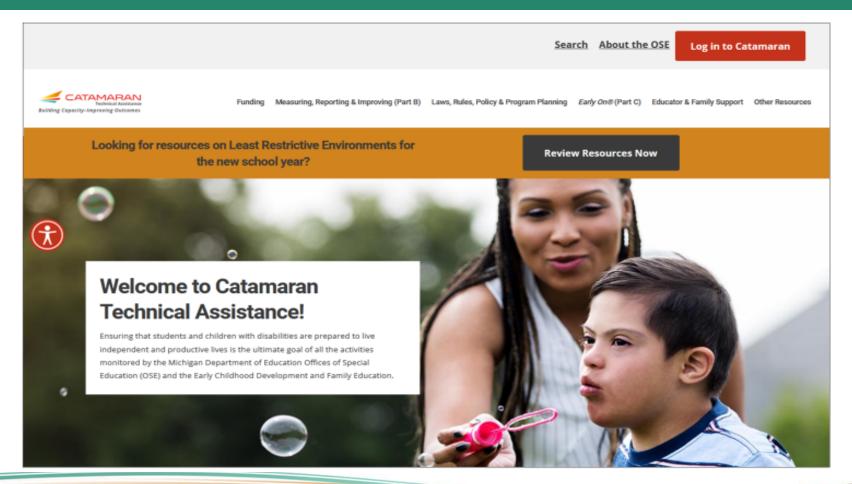
Current status

- 2020-21 Compliance/2021-22 Threshold Setting
- Activity Launched November 15, 2021.
- All submitted ISDs have passed
- 5 ISDs outstanding

Moving Forward

- Do not anticipate any changes
- Consistency and documentation remains important

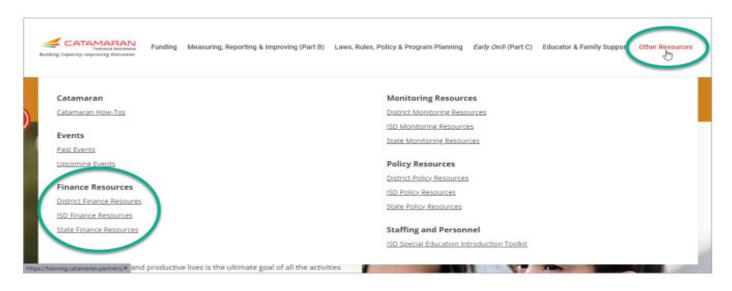
Catamaran Technical Assistance cont.



MDE Office of Special Education

Catamaran Technical Assistance cont.

Finance Training Materials



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CATAMARAN

IDEA Equitable Services Technical Assistance (including Proportionate Share)

Coming Soon:

- Equitable Services At a Glance
- Equitable Services Guidebook
- Proportionate Share recoding process and timeline

Current information

Office of Special Education (OSE) Program Finance updates

Current Information

- NexSys
 - Flowthrough / ARP
- Internal focused improvements
 - Communication
 - Processes
- Other Updates

Reference Links

- MDE OSE Program Finance
 - State Aid SE-4096 Information
 - Transportation Information
 - State Aid Allowable Costs

Questions?

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