

# 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
  - 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, [PurvesJ@michigan.gov](mailto:PurvesJ@michigan.gov)
    - Shelby Zenk, [ZenkS@michigan.gov](mailto:ZenkS@michigan.gov)

Function: Code - Name	
<a href="#">View</a>	Misc - Indirect Costs (15.00%)
<a href="#">View</a>	 231 - Board of Ed.
<a href="#">View</a>	Misc - Capital Outlay
<a href="#">View</a>	 261 - Direct O&M
<a href="#">View</a>	 431 - Tuition - MSD



# 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.

# 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.



# 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.

The screenshot shows the homepage of the Catamaran Technical Assistance website. At the top right, there are links for "Search", "About the OSE", and a red "Log in to Catamaran" button. Below this is a navigation menu with the following items: "Funding", "Measuring, Reporting & Improving (Part B)", "Laws, Rules, Policy & Program Planning", "Early On® (Part C)", "Educator & Family Support", and "Other Resources". The main content area features a brown banner with the text "Looking for resources on Least Restrictive Environments for the new school year?" and a "Review Resources Now" button. Below the banner is a large image of a woman and a young boy with Down syndrome blowing bubbles. A white text box on the left of the image contains the heading "Welcome to Catamaran Technical Assistance!" and a paragraph: "Ensuring that students and children with disabilities are prepared to live independent and productive lives is the ultimate goal of all the activities monitored by the Michigan Department of Education Offices of Special Education (OSE) and the Early Childhood Development and Family Education." A small red icon of a person is visible on the left side of the image.



# Catamaran Technical Assistance cont.

## Finance Training Materials

The screenshot displays the Catamaran Technical Assistance website interface. At the top, the logo reads "CATAMARAN Technical Assistance Building Capacity-Improving Outcomes". A horizontal navigation bar includes links for "Funding", "Measuring, Reporting & Improving (Part B)", "Laws, Rules, Policy & Program Planning", "Early On® (Part C)", "Educator & Family Support", and "Other Resources", which is circled in green. The main content area is organized into several sections: "Catamaran" with a link to "Catamaran How-Tos"; "Events" with links for "Past Events" and "Upcoming Events"; "Finance Resources" (circled in green) with links for "District Finance Resources", "ISD Finance Resources", and "State Finance Resources"; "Monitoring Resources" with links for "District Monitoring Resources", "ISD Monitoring Resources", and "State Monitoring Resources"; "Policy Resources" with links for "District Policy Resources", "ISD Policy Resources", and "State Policy Resources"; and "Staffing and Personnel" with a link to "ISD Special Education Introduction Toolkit". A footer at the bottom of the page contains the URL "https://training.catamaran.partners/" and the text "and productive lives is the ultimate goal of all the activities".

# 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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