Fiscal Update

Program Management
ESS Operations

March 29, 2022

Agenda

- IDEA and ARP-IDEA Grants
- High-Cost Child
  - IDEA Maintenance of Effort
- Extraordinary Special Education Needs Fund
- Special Education Vouchers
- Ancillary Services
- Group B Weights through Average Daily Membership
- Questions

IDEA and ARP-IDEA Grant Updates

IDEA and ARP-IDEA Allocations

Grant	2022	2023*
IDEA Basic	$ 211,265,592	$ 208,018,240
IDEA Preschool	$ 4,672,846	$ 4,302,794
ARP-IDEA Basic	$ 45,663,423	Carryover only
ARP-IDEA Preschool	$ 2,940,984	Carryover only

*Office of Special Education Programs (OSEP) has not released the federal award amounts for the upcoming year so they are approximated the same.

IDEA Consolidated-Entitlement Grants

Allocations for the IDEA Basic and IDEA Preschool grants posted February 2022

- http://bit.ly/FY2022PS – 2022 Allocations
- http://bit.ly/FY2023PS – 2023 Allocations

IDEA and ARP-IDEA Updates

	IDEA	ARP-IDEA
Project Period	7/1/2021–9/30/2022	7/1/2021–9/30/2022
Carryover Period	10/1/2022–9/30/2023	10/1/2022–9/30/2023
Proportionate Share Obligations for Districts	Yes	Yes

ARP-IDEA Basic and Preschool grants will have the same substantial approval date of the PEA's IDEA Basic and IDEA Preschool grants.

IDEA and ARP-IDEA Payment Snapshot

Funding Application	Total Money Available	Paid	Percentage
IDEA - Basic	$253,731,661.56	$90,657,799.53	35.73%
ARP - IDEA Basic	$45,354,876.38	$1,319,222.41	2.91%
IDEA - Preschool Grant	$6,354,270.98	$1,709,071.02	26.90%
ARP - IDEA Preschool	$2,822,257.29	$61,873.11	2.19%

High-Cost Child

High-Cost Child Overview

Descriptor	Value
Available funds in FY22	$1.7 Million
Maximum amount approved for each PEA	$100,000
Approval periods	4 monthly rounds in 2022
MOE Exception E applies	Yes
PEA can reimburse total cost of student	Yes
ADE Reporting Requirements to Legislature	N/A
Eligible PEAs	IDEA Eligible PEAs (districts, secure care, and non-profit charters)

Purpose of High-Cost Child

The Individuals with Disabilities Education Act (IDEA) allows states to use 10% of their Part B funds reserved for state-level activities to establish and make disbursements from a high-cost fund to public education agencies (PEA) for students meeting the criteria of high-risk.

ADE/ESS has determined that any student with disabilities whose costs exceed three times the per pupil average is eligible for High-Cost Child funding.

What is the Amount for a High-Cost Child?

The cost of the student must exceed three times the normal amount expended on any child in Arizona of $8,354 (National Center for Education Statistics).

- *The cost is <u>not</u> three times the cost of special education students*

Annual Amount	Daily Rate	Calendar Days
$25,602	$176.79	144 days
	$142.23	180 days
	$128.01	200 days
	$101.60	252 days

High-Cost Child Application Review Process

PEAs are encouraged to submit multiple claims but will be limited to approximately $100,000 in awarded claims, depending on available funds. For HCC Applications, PEAs can request the full reimbursement of costs incurred by the student.

- Every opportunity will be made to ensure that each PEA that applies is approved for at least one claim.
- Applications may be rejected to request additional documentation or fix AzEDS integrity errors.
- All applications will close before 6/30/2022.

High-Cost Child Approval Process

Round for Funding Approval	Submission Deadline
1st	February 11, 2022
2nd	March 11, 2022
3rd	April 8, 2022
4th	May 27, 2022

- The HCC Claims are competitive funding applications.
- Every effort will be made to approve PEAs in each of the four rounds of funding approval but may be limited based on remaining funds available.
- PEAs shall not exceed $100,000 for total funding approved.

Examples of Approved High-Cost Child Claims

- Tuition and fees to approved-private day schools (tuition, related services, transportation)
- Interpreters for HI students
- Contracted nursing
- Additional instructional personnel (1:1 aides, new SC classroom teacher)
- Related Service Providers

Does applying for the High-Cost Child affect Maintenance of Effort?

Yes, Maintenance of Effort, Exception E

Students who have been deemed eligible as part of the IDEA High-Cost Child Claims can be listed in the ESS MOE application as a valid exception for reducing the obligation a public education agency must meet for Maintenance of Effort.

Maintenance of Effort Update

PEA's 2021 annual financial report from 2021 was reviewed to ensure they maintained state fiscal efforts

- 313 cases of the 614 closed out
  - 31 PEAs passed through using exceptions
  - 90 PEAs still need to provide exceptions or else they will return money to OSEP for supplanting
- 210 cases still to be tested will most likely pass

Extraordinary Special Education Needs (ESEN) Fund

Extraordinary Special Education Needs Fund Overview

Descriptor	Value
Available funds in FY22	$5 Million
Maximum amount approved for each PEA	$250,000
Approval periods	2 monthly rounds in 2022 (up to 4 claims per PEA) 4 quarterly rounds in 2023
MOE Exception E applies	No
PEA can reimburse total cost of student	No (PEA must deduct state aid generated by student from claim request)
ADE Reporting Requirements to Legislature	Annually on 12/15 • # of claims funded in prior year • How PEAs spent money • # of claims requested in prior year
Eligible PEAs	Districts and Charters, including for-profit charters

Extraordinary Special Education Needs Fund

A.R.S. § 15-774 established a new state-funded Extraordinary Special Education Needs Fund in the 2021 legislative session

$5 million annual allocation from Arizona State Legislature to be awarded on a quarterly basis

The joint legislative budget committee will be required to provide an explicit allocation each year

Extraordinary Special Education Needs Fund Continued

Intent is to mimic high-cost child support and requirements but only by providing supplemental funds to what is already generated in ADM

PEAs may submit multiple claims for the same student to reach full funding of that student if funds are still available

PEAs will be approved for up to two claims each round as funds are available

ESEN Fund Approval Process

Round for funding approval	Submission Deadline
1st	April 29, 2022
2nd	May 27, 2022

- The ESEN Funds are competitive funding applications.
- Every effort will be made to approve PEAs for four claims in each of the rounds of funding approval
- PEAs shall not exceed $250,000 for total funding approved.

Estimating a Student's Excess Cost for ESEN

Student's tuition to private day placement = $2,500 per month.
Student's disability category is SLD; grade level is 8th.
Student generates approximately $6,000 annually (generally $600 per month) in State Aid.

PEA plans to submit claim for 5 months at private day placement—July 15, 2021–December 17, 2021.

$2,500 * 5 Months	$12,500
$6,000 * .5 year SPED ADM	-$3,000
Total ESEN claim for 5 months	$9,500

How do I determine which fund is best to request reimbursement for my student?

- Does the PEA need to take a reduction for MOE?
- Doe the PEA wish to be reimbursed for total cost incurred by the student?
- Is the total cost less than $100,000?

Choose High-Cost Child.

- Can the PEA still meet MOE Compliance without using Exception E?
- Were the costs previously paid for by IDEA grant?*
- Is the PEA asking for excess cost reimbursement above state aid?

Choose ESEN.

Special Education Vouchers

Institutional Vouchers Funding Change

Legislative bill (HB2566) in process of getting the Arizona State School for the Deaf and Blind (ASDB) voucher rate updated

Will update the capital outlay rate, provide a textbook support, and a transportation route support for their campus-based students

Campus based students are primarily those that attend the Phoenix and Tucson locations (one or two miscellaneous locations)

Institutional Vouchers Funding Change Chart (assume full-year student at campus) for fiscal year 2023

Descriptor	Old	New
Capital Outlay	$100	PS $450.76 K to 8 $514.63 9 to 12 $590.86
Textbooks	$0	9 to 12 $69.68
Transportation	$50	$5.23 per route mile

Institutional Vouchers Summary

Upon review, it will increase payments to ASDB anywhere from 2 to 5 percent

This amount depends on how the final bill ends up and how students are apportioned between their cooperative regional programs and campus-based locations

Residential Vouchers

Updates will be coming within the next year to align the residential voucher application process to what is outlined in statute

A residential treatment center applies for funding for the students in the facility and this will change to a state placing agency being the primary applicant

Additional requirements will be coming to approved facilities and how they provide services to students without disabilities

Ancillary Services

Ancillary Services Recap

Recognized in school year 2019–2020 that there was no way to report ancillary services in AzEDS for state funding

Requires student to be identified as having a group B disability but *not* requiring special education instruction (one exception)

Group B Disabilities

- Autism
- Hearing Impairment
- Moderate or Severe Intellectual Disability
- Multiple Disabilities (also including with Severe Sensory Impairment)
- Orthopedic Impairments
- Preschool Severe Delay
- Emotional Disabilities (private type setting)
- Visual Impairment

Ancillary Services Statute

A.R.S. § 15-769

- If a pupil with a group B disability does not receive special education instructional services but receives at least one ancillary service, the pupil shall be considered a special education pupil for the group B funding…
  - For the purposes of this subsection, "ancillary service" means one of the following:
    1. Physical therapy.
    2. Occupational therapy
    3. Orientation and mobility training.
    4. Sign language interpretation services.
- If the category of disability has both a resource and self-contained weight, the pupil shall be classified as in a **resource program**.
    5. A full-time aide needed for an individual pupil to benefit from the pupil's educational program as specified in the pupil's individualized education program (IEP).

Ancillary Services Implementation

Exceptional Student Services, school finance, and the AzEDS IT team will be building the reporting guidelines the upcoming school year

The implementation will launch by fiscal year 2024 so PEAs can receive the funding appropriately

Upon prior review this should affect approximately 20 to 30 students a year for certain PEAs

Group B Weights through Average Daily Membership

Group B Weights Update

During the first regular legislative session of 2021 (HB2898), the Arizona legislature increased the MD-SC, A-SC, SID-SC weight from 5.833 to 5.988 and the DD, ED, MIID, SLD, SLI, and OHI from 0.003 to 0.093

Except for this change made for the 2021-22 school year, the Group B weights have not been adjusted since the early 1990s

Group B Add on Weights Chart

Disability	Old Weight	New Weight
Multiple Disabilities Severe Sensory Impairment	7.947	7.947
Orthopedic Impairment (Self-Contained)	6.773	6.773
MD-R, A-R, and SID-R	6.024	6.024
MD-SC, A-SC, and SID-SC	5.833	5.988
Emotionally Disabled (Private)	4.833	4.833
Visual Impairment	4.806	4.806
Hearing Impairment	4.771	4.771
Moderate Intellectual Disability	4.421	4.421
Preschool Severe Delay	3.595	3.595
Orthopedic Impairment (Resource)	3.158	3.158
DD, ED, MIID, SLD, SLI, and OHI	0.003	0.093

Group B Weight Implementation

The weight updates have already gone into affect into payment systems through school finance

Additionally, it has gone into affect into special education vouchers as that process also uses group B weights

Contact Us & Questions

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