



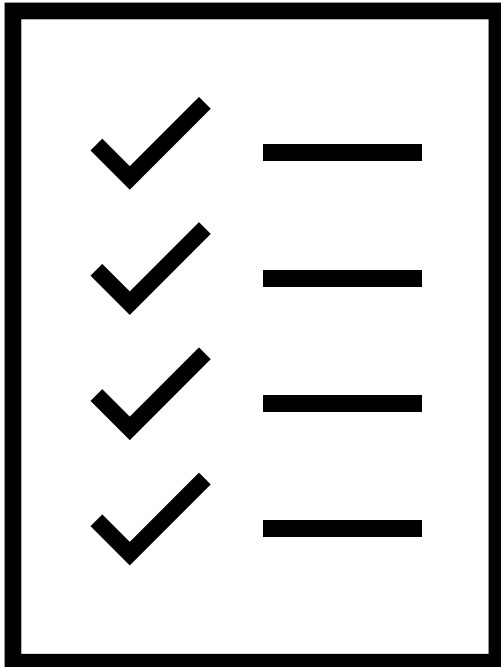
# High-Cost Child and Extraordinary Special Education Needs Claims

ESS Program Management

December 14, 2021



# Agenda



- High-Cost Child Claims
- Extraordinary Special Education Need Fund
- Which fund should I choose?
- Considerations for Funding Approval



# High-Cost Child Claims



# Purpose of High-Cost Child Claims

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.



# Excess Costs for HCC Consideration

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

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

The amount available for FY2022 HCC funding is \$1.7 million.



# Special priority for specific disability categories

While *all* students with an IEP may be considered for HCC funding, the following identified disabilities will get priority of approval:

- Deaf-blind
- Severe Intellectual Disability (SID)
- Moderate Intellectual Disability (MOID)
- Traumatic Brain Injury (TBI)
- Multiple Disabilities (including Severe Sensory Impairment) (MD, MDSSI)
- Orthopedic Impairment (OI)
- Preschool Severe Delay (PSD)

# Fiscal Year 2022 HCC 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 are able to 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.

ESS Program Management will review applications for completeness beginning on January 18, 2022. 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
1 <sup>st</sup>	February 11, 2022
2 <sup>nd</sup>	March 11, 2022
3 <sup>rd</sup>	April 8, 2022*
4 <sup>th</sup>	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.





# Example of HCC funding applications submitted by rounds in FY2021

# submitted before 2/12 - R 1	# submitted before 3/12 - R 2	# submitted before 4/16 - R 3	# submitted before 5/28 - R 4	Max number of Approvals	Total # of apps submitted	# Viable Applications Submitted
27				4	27	14
6				4	6	6
4				4	4	4
7				4	7	7
2	2			4	4	4
4				4	4	4
4				4	4	4
	1	1	2	3	4	4
3				3	3	3
1	2		2	3	5	5
3				3	3	3

- PEAs should prioritize the students they claim in HCC based on the most expensive students in a given school year.
- ESS Program Specialists will select the highest cost student for each PEA in each round of available funding
- Attempts will be made to reserve funding for 3<sup>rd</sup> and 4<sup>th</sup> rounds, but once the fund is depleted, PEAs will be encouraged to apply for alternate funding sources.



# HCC Item Checklist for Applications

The following information will be required for a PEA to submit a claim for reimbursement:

State Student ID

**Current IEP**

**Invoices** showing costs for the High-Cost Child

If providing multiple invoices from vendors or payroll information for personnel working directly with a student, ESS PM requests that the PEA submit a summary invoice to reflect all costs in addition to the original invoices/receipts (See next slide for summary claim template).

Narrative on PEA letterhead describing the burden of the student's excess cost to the PEA

# Example of Summary Claim Template

Student Name:		Pebbles Rubble		SSID:		12345678					
Claim Start Date:		7/1/2021		Claim End Date:		7/31/2021					
Record the monthly expenses for the student's claim by expense type. Use the subtotals below to submit your requested claim amount.											
Expense Types											
Month	Tuition	1:1 Aide (Paraprofessional)	Transportation	Related Services (PT, OT, Speech, Counseling)	Nursing	Fees	Other*	Total			
July	\$ 100.00	\$ 101.00	\$ 102.00	\$ 103.00	\$ 104.00	\$ 105.00	\$ 106.00	July Total	\$ 721.00	If Other, please describe expense(s).	
August								August	\$ -	ASL Inrpreting Services	
September								September	\$ -		



# HCC Claim Example

High Cost Child Application Details

Application ID: 12345  
District: [REDACTED]  
SSID: 1234567 Student Name: [REDACTED] Birth Date: [REDACTED]  
\* IEP Date: 4/7/2020  
\* Requested  
Claim Amount: \$33,099.00  
Claim Date Range: \*Start: 8/11/2020 \*End: 5/28/2021  
Comments: [REDACTED]

Attachments:

Document Name	Document Type	Uploaded On
[REDACTED]	Other	
[REDACTED]	Invoice	10/28/2020 11:05:59 AM
[REDACTED]	IEP	

Download Selected File(s)

[Quick Reference Guide](#) will be updated by January 2022.

- Claim date should not extend beyond the month of submission.
- An IEP and Invoice is required for every submission
- The supporting documentation may be combined into one PDF file so long as all components are present: IEP, invoices, and narrative.



# Frequent Reasons the HCC Claim was returned by HCC Specialist

- Invoice dates do not match claim request date
- Date on claim doesn't match submission date
- Individual invoices do not add up to requested claim amount
- AzEDS data for student's LRE or private placement doesn't match IEP
- PEA submitted more than \$100,000 of claims and is not eligible for additional approvals

# Review Process – High-Cost Claims

## Review Rubric

Teams: ESS Program Management HCC Specialists,  
ESS Director of Operations, ESS Deputy Associate Superintendent

### Eligibility

- ✓ SSID validated in AzEDS
- ✓ Provide document attachments
- ✓ Request within the dollar caps for the PEA

### Documentation

- ✓ Current IEP
- ✓ Accurate invoices or journals for claim period (Summary Invoices are appreciated)

### Content

- ✓ PEAs must submit a narrative to describe the justification of excess costs
- ✓ Claimed costs meet allowability rules for IDEA Consolidated – Entitlement Grant

# Previously Approved HCC 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 HCC affect MOE?

Maintenance of Effort, Exception E Students who have been deemed eligible as part of the IDEA High-Cost Grant 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. Any students submitted into this field will be validated against information submitted into AzEDS and the HCC funding application.

## Contact

[essprogmgmt@azed.gov](mailto:essprogmgmt@azed.gov) to review your MOE data for more information [Maintenance of Effort Compliance](#) webinar will be held on March 1 at 11 AM.







# Extraordinary Special Education Needs Fund



# Purpose of Extraordinary Special Education Needs Fund, ARS 15-774

- A. The extraordinary special education needs fund is established consisting of legislative appropriations, gifts, grants and donations. Monies in the fund are continuously appropriated and are exempt from the provisions of section 35-190 relating to lapsing of appropriations. The department of education shall administer the fund. The department may retain up to two percent of the monies in the fund for the purposes of administering the fund.
- B. The department of education shall award monies from the fund to school districts and charter schools with eligible claims. A school district or charter school is eligible to receive monies from the fund if the school district or charter school demonstrates to the department that a student receiving special education services has incurred costs in the current year of at least the statewide per pupil funding average multiplied by three.



# Excess Costs for ESEN Consideration

The cost of the student must exceed three times the normal amount expended on a child in Arizona of \$8,534 (National Center for Education Statistics).

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

The amount available for FY2022 ESEN funding is \$5 million.



# ARS 15-774

C. A school district or charter school may apply to the department of education for an extraordinary special education needs claim from the fund. The department of education shall prescribe the format of the application, which shall do all of the following:

1. Demonstrate extraordinary needs, including describing and documenting student services required and showing that the district or charter school is not able to absorb the costs of these services.
2. Demonstrate total costs incurred in the current year by the student for whom the school district or charter school is applying. A school district or charter school may submit a claim for up to the full fiscal year if the expense incurred at the time of filing will continue to be incurred in subsequent quarters until the end of the same fiscal year. Total costs submitted shall be itemized and attributable to the student for whom the claim is being submitted. A school district or charter school may submit a claim for expenses incurred as a result of an independent educational evaluation.
3. Evidence that before applying for monies from the fund the school district or charter school made sufficient efforts to seek but has not received funding to cover the costs of extraordinary needs applied for pursuant to paragraph 1 of this subsection from all other sources, including federal and other state sources of funding.

# ARS 15-774 (continued)

D. The department of education shall evaluate claim requests on a quarterly basis. If there are insufficient monies in the fund to fund all eligible claims within a given quarter, the department shall prioritize funding based on the difference in the claim amount submitted by the school district or charter school and the total funding the school district or charter school has received for that student. If a school district or charter school submits a claim with insufficient information, the department may notify the school district or charter school to revise its claim within two weeks.

E. If a school district or charter school incurs an additional expense for a student who received funding for a claim from the fund in the same fiscal year, the school district or charter school may revise the claim and may receive funding at the end of the quarter in which the claim is submitted, subject to available monies in the fund. The department shall prioritize revisions in the same manner as other claims pursuant to subsection D of this section.

G. On or before December 15 of each year, the department of education shall submit a report that outlines all of the following to the governor, the president of the senate, the speaker of the house of representatives, the joint legislative budget committee and the governor's office of strategic planning and budgeting and provide a copy of this report to the secretary of state:

1. The number of extraordinary special education needs claims that were funded in the previous year.
2. How school districts and charter schools used claim monies.
3. The total number of claims received in the previous year.



# ESEN - State Funded high-cost child pool

- \$5 million annual allocation from Arizona State Legislature to be awarded on a quarterly basis.
- Prioritizes the costs of a student less than what the student's SPED ADM multipliers will contribute to the PEAs state aid
- 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 Item Checklist for Applications

The following information will be required for a PEA to submit a claim for reimbursement:

## State Student ID

- Current IEP
- Claim Summary Template
- Invoices or accounting documentation matching costs for the ESEN claim summary template
- Narrative on PEA letterhead describing the burden of the student's excess cost to the PEA and what funds have already been used to pay for a portion of the student's costs

# ESEN Claim Screen

Extraordinary Special Education Needs Application Claim Details

District: [REDACTED]  
SSID: [REDACTED] Student Name: [REDACTED] Birth Date: [REDACTED]

\*IEP Date:   
\*Requested Claim Amount:

Expense Type	Amount
Tuition:	<input type="text"/>
1:1 Aide:	<input type="text"/>
Transportation:	<input type="text"/>
Related Services (PT, OT, Speech):	<input type="text"/>
Nursing:	<input type="text"/>
Fees:	<input type="text"/>
Other:	<input type="text"/>

Please describe Other Expenses:

Claim Date Range: \*Start:  \*End:

Comments:





# Example of Summary Claim Template

(repeated slide)

Student Name:		Pebbles Rubble		SSID:		12345678					
Claim Start Date:		7/1/2021		Claim End Date:		7/31/2021					
Record the monthly expenses for the student's claim by expense type. Use the subtotals below to submit your requested claim amount.											
Expense Types											
Month	Tuition	1:1 Aide (Paraprofessional)	Transportation	Related Services (PT, OT, Speech, Counseling)	Nursing	Fees	Other*	Total			
July	\$ 100.00	\$ 101.00	\$ 102.00	\$ 103.00	\$ 104.00	\$ 105.00	\$ 106.00	July Total	\$ 721.00	If Other, please describe expense(s).	
August								August	\$ -	ASL Inrpreting Services	
September								September	\$ -		



# Reporting requirements for ADE/ESS

1. The number of extraordinary special education needs claims that were funded in the previous year.
2. How school districts and charter schools used claim monies.
3. The total number of claims received in the previous year.

PEAs can assist in these reporting requirements by utilizing the Claim Summary Template to help track common expense types for ESEN claims. If one of the expense types doesn't apply to the student's claim, the PEA must provide description in the Other field.



# Fiscal Year 2022 ESEN Fund Application Review Process

PEAs are encouraged to submit multiple claims, but will be limited to approximately \$250,000 in awarded claims depending on available funds. For ESN Fund Applications, PEAs are able to request the **excess costs generated by the student, not the full amount.**

Every opportunity will be made to ensure that each PEA that applies is approved for at least one claim.

ESS Program Management will review applications for completeness beginning on January 18, 2022. Applications may be rejected to request additional documentation or fix AzEDS integrity errors. To ensure payment of state funds, the ESEN Fund will close by May 27, 2022.



# ESEN Fund Approval Process

Round for funding approval	Submission Deadline
4 <sup>th</sup>	May 27, 2022 (no longer current)

- The ESEN Funds are competitive funding applications
- Every effort will be made to approve PEAs for two claims in each of the four rounds of funding approval, but this may change based on available funds the 3<sup>rd</sup> and 4<sup>th</sup> rounds
- 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 = \$2500 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



# Does applying for the ESEN affect MOE?

- Maintenance of Effort, Exception E, does not apply for students who are approved for ESEN claims as these are not federal IDEA Funds.
- PEAs must ensure they are still able to meet MOE Compliance thresholds with the use of this fund.

Contact

[essprogmgmt@azed.gov](mailto:essprogmgmt@azed.gov) to review your MOE data for more information  
[Maintenance of Effort Compliance](#) webinar will be held on March 1 at 11 AM.



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

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

Choose ESEN.



# Federal HCC and State ESEN and the IDEA Maintenance of Effort

As a reminder, only the students approved for HCC funds may be eligible to take MOE Exception E if the PEA has originally paid for the student's costs using SPED 200 M&O funds.

For costs paid by the IDEA grant, the PEA would need to consider freeing up IDEA grant funds after ESEN/HCC reimbursements have been received in FY22.

[E-mail your ESS Program Management specialist](#)  
for assistance.





	HCC	ESEN
Available funds in FY22	\$1.7 Million	\$5 Million
Max approved for each PEA	\$100,000	\$250,000
Approval periods	4 monthly rounds in 2022	4 monthly rounds in 2022 (up to 2 claims per PEA) 4 quarterly rounds in 2023
MOE Exception E applies	Yes	No
PEA can reimburse total cost of student	Yes	No (PEA must deduct state aid generated by student from claim request)
ADE Reporting Requirements to Legislature	N/A	Annually on 12/15 <ul style="list-style-type: none"> <li># of claims funded in prior year</li> <li>How PEAs spent money</li> <li># of claims requested in prior year</li> </ul>
Eligible PEAs	IDEA Eligible PEAs (districts, secure care, and non-profit charters)	Districts and Charters, including for-profit charters

# If funds are available by end of 5/27/21

ADE/ESS will attempt to deplete both the HCC and ESEN funds by May 27, 2022 (outdated, revised) submission deadline. If funds remain, ADE/ESS will:

- Ensure each PEA has been approved for maximum number of applications based on submission dates
- Approve additional claims in each fund for each eligible PEA that has not reached its maximum approved fund in a round-robin manner until funds are depleted.
- If HCC funds are exhausted, ADE/ESS may transfer application to ESEN if funds are still available. The PEA will need to adjust claim amount to reduce state aid received on behalf of the student.



# PEA Next Steps

- Prioritize highest-cost students in your PEA
- Determine which fund(s) you will apply for and prepare items needed for application checklist
- Review Quick-Reference Guide in January 2022 for screen shots and instructions
- Submit first claims by 2/11/2022
- Submit up to \$100,000 for HCC claims, and \$250,000 for ESEN fund
- Review any requests for edits or data validation by ESS Program Specialists



## Contact Us

ESS Program Management web page:

<http://www.azed.gov/specialeducation/operations>

ESS Program Management Inbox:

[essprogmgmt@azed.gov](mailto:essprogmgmt@azed.gov)

[Allowable Costs Under the IDEA](#), January 11, 2022, at  
11:00 am.





## Contact ESS PM Specialist:

PEA NAME STARTS WITH	PROGRAM SPECIALIST	NUMBER
A-C	<u><a href="#">Alice Nunes</a></u>	602-542-3851
D-K	<u><a href="#">Tanya Rodriguez</a></u>	602-542-4610
L-Q	<u><a href="#">Carol Bush</a></u>	602-542-4615
R-Z	<u><a href="#">Candice Trainor</a></u>	602-542-3398