



# Fiscal Update

## ESS Operations

March 29, 2023



# 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	2023	2024* (Repayment over)
IDEA Basic	\$ 213,662,866	\$ 210,629,543
IDEA Preschool	\$4,690,243	\$ 4,318,064
ARP-IDEA Basic	Carryover only	Carryover – Close out
ARP-IDEA Preschool	Carryover only	Carryover – Close out

\*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 2023

- <http://bit.ly/FY2024PS> – 2024 Allocations
- <http://bit.ly/FY2023PS> – 2023 Allocations

# IDEA and ARP-IDEA Updates

	IDEA	ARP-IDEA
Project Period	7/1/2022–9/30/2023	7/1/2021–9/30/2022
Carryover Period	10/1/2023–9/30/2024	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 Current Payout Snapshot

Funding Application	Total Money Available	Paid	Percentage
IDEA - Basic	\$266,415,221.00	\$105,322,442.40	39.53%
ARP - IDEA Basic	\$45,094,927.98	\$20,688,730.55	45.88%
IDEA - Preschool Grant	\$6,317,029.63	\$1,811,148.02	28.67%
ARP - IDEA Preschool	\$2,736,727.96	\$983,854.36	35.95%



# High-Cost Child





# High-Cost Child Overview

Descriptor	Value
Available funds in FY22	\$3.5 Million (up from 1.7 million)
Approval periods	4 monthly rounds in 2022
MOE <u>Exception E</u> 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)
Paid out so far	\$1,413,632.58 (\$2.1 million pending)

# 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 \$9,098 (National Center for Education Statistics).

- *The cost is not three times the cost of special education students*

Annual Amount	Daily Rate	Calendar Days
\$27,294	\$181.54	144 days
	\$151.63	180 days
	\$136.47	200 days
	\$108.31	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 6/30/2023.



# High-Cost Child Approval Process

Round for Funding Approval	Submission Deadline
1 <sup>st</sup>	October 28, 2022
2 <sup>nd</sup>	January 27, 2023
3 <sup>rd</sup>	March 31, 2023
4 <sup>th</sup>	May 26, 2023

- 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 2022 annual financial report from 2022 was reviewed to ensure they maintained state fiscal efforts

- **305 cases of the 601 closed out**
  - 30 PEAs passed through using exceptions
  - 3 PEAs failed and were required to repay state funds
- **296 cases still to be tested**
  - 13 submitted to be reviewed by ESS
  - 221 will most likely pass upon submission





# 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 <u>Exception E</u> 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 <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	Districts and Charters, including for-profit charters
Spent so far	\$1.6 million



# 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
1 <sup>st</sup>	August 26, 2022
2 <sup>nd</sup>	November 25, 2022
3 <sup>rd</sup>	February 24, 2023
4 <sup>th</sup>	May 26, 2023

- 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 8<sup>th</sup>.

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, 2022–December 17, 2022.

\$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?
- 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.





# 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	New Weight
Multiple Disabilities Severe Sensory Impairment	7.947
Orthopedic Impairment (Self-Contained)	6.773
MD-R, A-R, and SID-R	6.024
MD-SC, A-SC, and SID-SC	5.988
Emotionally Disabled (Private)	4.822
Visual Impairment	4.806
Hearing Impairment	4.771
Moderate Intellectual Disability	4.421
Preschool Severe Delay	3.595
Orthopedic Impairment (Resource)	3.158
DD, ED, MIID, SLD, SLI, and OHI	<b><u>0.292</u></b>



# Contact Us & Questions

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