



ESS Fiscal Update

ESS Program Management

February 15, 2024

IDEA Part B Funds in Arizona

Section 611 – Subgrants to LEAs

Serves students ages 3–21

Section 611 of the IDEA (formerly called the IDEA Basic grant)

\$222,101,536 for FY24 full award

\$200 million for FY25 preliminary

642 public education agencies

Section 619 – Preschool subgrants to LEAs

Serves students ages 3–5, including Kindergarten

Section 619 of the IDEA (formerly called the IDEA Preschool grant)

\$4,509,480 for FY24 full award

\$4 million for FY25 preliminary

445 public education agencies

Proportionate Share 2025			Updated 2/12/24		Parentally-Placed Private School Student (PPPS) Count (K-12)	PPPS SPED Eligible K-12	PPPS SPED Eligible K	SPED Enrolled students (3-21 years old)	SPED enrolled students (3-5 years old)	Proportionate Share for Section 611 (K-12, ages 3-21)	Proportionate Share for Section 619 (Kindergarten, ages 3-5)
Fiscal Year	Entity ID	CTDS	Entity Name	Entity Name							
2024	4289	070516000	Agua Fria Union High School District		12	12	0	1014	0	1.17%	0.00%
2024	4249	070363000	Aguila Elementary District		8	0	0	19	3	0.00%	0.00%
2024	4280	070468000	Alhambra Elementary District		101	12	0	1225	174	0.97%	0.00%
2024	4418	100351000	Altar Valley Elementary District		68	3	0	70	5	4.11%	0.00%
2024	4406	100210000	Amphitheater Unified District		1511	0	0	2198	181	0.00%	0.00%
2024	4443	110243000	Apache Junction Unified District		275	13	0	517	73	2.45%	0.00%
2024	4272	070444000	Avondale Elementary District		1135	59	7	920	115	6.03%	5.74%
2024	4412	100240000	Baboquivari Unified School District #40		3	3	1	158	14	1.86%	6.67%
2024	4268	070431000	Balsz Elementary District		411	12	0	311	55	3.72%	0.00%
2024	4481	130326000	Beaver Creek Elementary District		27	0	0	63	18	0.00%	0.00%
2024	79226	020209000	Benson Unified School District		55	2	1	238	26	0.83%	3.70%
2024	4169	020202000	Bisbee Unified District		40	1	0	55	0	1.79%	0.00%
2024	4397	090232000	Blue Ridge Unified School District No. 32		191	2	1	220	27	0.90%	3.57%
2024	4269	070433000	Buckeye Elementary District		145	20	0	1025	213	1.91%	0.00%
2024	4284	070501000	Buckeye Union High School District		244	0	0	707	0	0.00%	0.00%
2024	4378	080415000	Bullhead City School District		102	1	0	317	48	0.31%	0.00%
2024	4470	130228000	Camp Verde Unified District		258	6	0	242	22	2.42%	0.00%
2024	4282	070483000	Cartwright Elementary District		638	20	2	1520	237	1.30%	0.84%
2024	4446	110404000	Casa Grande Elementary District		532	15	0	1131	195	1.31%	0.00%
2024	4410	100216000	Catalina Foothills Unified District		296	6	1	522	51	1.14%	1.92%
2024	4244	070293000	Cave Creek Unified District		405	4	0	670	34	0.59%	0.00%
2024	4242	070280000	Chandler Unified District #80		2859	55	1	5215	579	1.04%	0.17%

Proportionate Share Calculations

School districts must review the [2025 IDEA Allocations Workbook](#) to confirm parentally-placed private school student counts.

If errors are found, the PEA must report the revised counts to ESS Program Management no later than June 1, 2024.

FY25 IDEA Part B Consolidated Important Dates

Month	Activity
March 2024	1 – FY25 Preliminary allocations posted to ESS website. Self-Assessment and General Statement of Assurance due
May 2024	1 – Grants Management deadline for FY25 applications
July 2024	1 – FY25 project period begins 15 – FY25 Adopted budgets due to School Finance 18 – IDEA Maintenance of Effort (MOE) Eligibility opens; ESS program specialists approve IDEA Funding applications
August 2024	17 – IDEA MOE Eligibility closes
October 2024	1 – October Data Collection captured by PEAS and submitted to ESS Data Management
November 2024	Fall Allocation Adjustment (full award)
February 2025	Spring Allocation Adjustment (new/expanding charter requests)
September 2025	30 – Project Period Ends
December 2025	27 – Completion Reports must be approved by GM team



Longstanding Noncompliance and Programmatic Holds

Any PEA that does not resolve longstanding noncompliance risks losing funds that expire at the end of the project period.

PSM Specialists will notify PEAs that have exceeded the 1-year CAP Closeout that expiring funds will be forfeited if the CAP isn't resolved by 9/30/2024.

- Unexpired funds may not be drawn down, and the entire FY24 allocation must roll over to FY25.

Substantial Approval

- ✓ Approvable Budget (by May 1)
- ✓ General Statement of Assurances (by March 1)
- ✓ IDEA Statement of Assurances (by June 12)
- ✓ Pass MOE Eligibility Test (on July 18)

Substantial Approval: Acceptable submitted status of a Funding Application to ADE for approval. ADE reserves the right to determine the qualifying characteristics of Substantial Approval.

ADE/ESS cannot grant substantial approval until after the PEA has been tested for Maintenance of Effort (MOE) Eligibility.

PEAs that submit a funding application before the project period begins will lock in a substantial approval date of July 1 if all four criteria are met.

GME Training



Register for upcoming GME webinars:

February

**Thursday, 2/22/24 (9:00-10:00 a.m. or
2:30-3:30 p.m.)**

Budget Narrative Guidance

**Wednesday, 2/28/24 (10:00-11:00
a.m.)**

Getting Started: Overview of GME
Navigation & Funding Applications
Webinar

* [Register to attend via the Arizona
Professional Learning and
Development \(APLD\) System](#)



Planning for Reimbursement Requests

Percentage of Allocation Paid Out	Q1 7/1/23– 9/30/23	Q2 10/1/23– 12/31/23	Q3 1/1/24– 3/31/24	Q4 4/1/24– 6/30/24	Q5 7/1/24– 9/30/24
12-month fiscal period	25%	50%	75%	100%	n/a
15-month fiscal period	20%	40%	60%	80%	100%

IDEA grant funds operate on a 15-month project period, with 12-month carryover, for a total of 27 months for obligation. IDEA grant funds must be liquidated (through CR process) 120 days after the expiration of the funds.

PEAs that carried over 2023 IDEA grants, must ensure that the carryover amount is fully drawn down by 9/30/2024 to prevent any funds from expiring and being returned to U.S. Department of Education.

Current Percentages Paid on 2024 IDEA Part B

Allocation	Amount Paid	Percentage paid as of 2/5/24
IDEA 611	\$51,833,840	26.7%
IDEA 619	\$975,092	23.7%
2023 IDEA Basic Carryover	\$23,405,524	45.1%
2023 IDEA Preschool Carryover	\$513,174	29.5%
Year to date goal		50–60%

Avoiding Expiring Funds for FY24 IDEA

Once a Completion Report is approved by ADE Grants Management, unspent FY23 funds become available in the FY24 IDEA funding application as incoming carryover.

Grant Name	Amount Unpaid	Percentage Unpaid
2023 IDEA Basic	\$28,513,698	54.9%
2023 IDEA Preschool	\$1,226,956	70.5%

Budget Planning Tool

2023-2024 Budget	PEA Name	Amount for FY24	Expiration of funds	What PEA currently has budgeted (03/01/2023)	
State M&O Budget		\$ 2,985,000.00	6/30/2024	\$ 2,985,000.00	State & Local funds that must be spent to maintain MOE Compliance
Section 611 FY23 Carryover			9/30/2024		Carryover must be spent by 9/30/24 or it will be forfeited to US Department of Education
Section 619 FY23 Carryover			9/30/2024		Carryover must be spent by 9/30/24 or it will be forfeited to US Department of Education
Section 611 FY24		\$ 1,043,402.10	9/30/2025		normal IDEA activities, 100% of this grant can roll over to FY25
Section 619 FY24		\$ 12,435.41	9/30/2025		normal IDEA activities, 100% of this grant can roll over to FY25
Total Available to Spend		\$ 4,040,837.51		\$ 2,985,000.00	
Federal Dollars		\$ 1,055,837.51		\$ -	
Section 611 (Basic) ages 3-21		\$ 1,043,402.10		\$ -	
Section 619 (Preschool) ages 3-5, including Kindergarten		\$ 12,435.41		\$ -	

Why Is PEA Maintenance of Effort Important?

- The intent behind the PEA MOE requirement is to help ensure that the PEA is expending at least a certain level of non-federal funds for the education of students with disabilities.
- ADE ensures that PEAs maintain levels of fiscal support through the MOE tests twice a year
- The PEA MOE tests ensure that federal funds are used to *supplement not supplant* local fiscal efforts.

What Are the Consequences for Failing to Meet the MOE Standards?

MOE Eligibility (budget) standard: the PEA may not receive IDEA Part B funds.

Failing to meet the MOE Eligibility standard will prevent the PEA's IDEA Part B funding application from receiving substantial approval at the beginning of the project period in July.

[34 CFR § 300.203 \(d\)](#)

MOE Compliance (expenditure) standard: the ADE must repay the US Department of Education

The amount owed is the difference between what the PEA actually spent and what it should have spent to meet the MOE requirement or the amount the PEA received from Part B funds for that fiscal year, whichever is lower.

The ADE can require the PEA to submit payment or can opt to cover the penalty itself.

How Is MOE Calculated in Arizona?

The PEA's expenditures, or budget, are tested against comparison year values. If the testing year data meets or exceeds the value, it will pass the testing method.

Method 1: Local only

Method 2: State and local funds combined

Method 3: Local only on a per capita basis

Method 4: State and local funds combined on a per capita basis

IDEA Fund Compliance Test

Fiscal Year: 2023

Entity ID: [REDACTED]


LEA (CTDS): [REDACTED]

Status: Closed (Met)

Exception Year: 2022

	Overall	Method 1 Local Cost	Method 2 2021 State and Local Cost	Method 3 Local Per Capita Cost	Method 4 2021 State and Local Per Capita Cost
2022 Amount		N/A	\$6,481,758.00	N/A	\$12,848.91
Comparison Year Amount		N/A	\$6,425,045.00	N/A	\$13,305.25
Difference		N/A	\$56,713.00	N/A	(\$456.34)
2022 SPED Count				N/A	x 504.4599
Total Difference		N/A	\$56,713.00	N/A	(\$230,205.33)
Status	Met	N/A	Met	N/A	Not Met

Where Do Values for State and Local Funds Come From?

 Finance System

File Submission Status Report


Fiscal Year* x ▾

Lea Type* ▾

Document Template Name ▾

EdOrg Name/CTDS/EdOrg ID ▾

[Update Submission Status Details](#)

 Finance System

File Submission Status Report

Fiscal Year* x ▾

Lea Type* ▾

Document Template Name ▾

EdOrg Name/CTDS/EdOrg ID ▾

[Update Submission Status Details](#)

The most recent District Annual Financial Report or Charter Holders Annual Financial Report

ESS sums the total reported in M&O spending for All Disability Classifications (line 1) and IEP-Required Transportation (line 9 or 10) on page 8 of the AFR for school districts and page 7 for charter schools.

These values are compared against the values on page 2 (M&O).

If there is a discrepancy between page 2 and page 7 or 8, ESS cannot perform the MOE test.

District AFR Values

B. M&O SPECIAL EDUCATION PROGRAMS BY TYPE

(A.R.S. § 15-761)

	PROGRAM 200 & 300 BUDGET	PROGRAM 200 & 300 ACTUAL	
1. Total All Disability Classifications	6,540,300	6,033,776	1.
2. Gifted Education	675,000	654,312	2.
3. Remedial Education	0	0	3.
4. ELL Incremental Costs	499,000	456,271	4.
5. ELL Compensatory Instruction	0	0	5.
6. Vocational and Technological Education (non-CTED)	0	0	6.
7. Career Education	0	0	7.
8. Career Technical Education (CTED programs in 300 range)	0	0	8.
9. Total (lines 1-8)	7,714,300	7,144,359	9.
10. IEP required pupil transportation costs coded within Program 400	328,000	456,397	10.

District AFR compares pages 2 and 8.

The value on page 2, line 24 subtotal should be equal to the value on page 8, line 9 to reflect all M&O spending from the special education program.

The MOE calculation sums lines 1 and 10 on page 8.

MAINTENANCE AND OPERATION FUND (001)—EXPENDITURES

Expenditures		Salaries 6100	Employee Benefits 6200	Purchased Services 6300, 6400, 6500	Supplies 6,600	Other 6,800	Totals			% Increase/ Decrease in Actual
							Budget	Actual	Prior Year Actual	
200 and 300 Special Education										
1000 Instruction	15.	2,668,378	972,238	415,674	20,224	0	4,625,500	4,076,514	4,305,323	-5.3%
2000 Support Services										
2100 Students	16.	1,616,202	561,430	367,450	36,897	1,050	2,547,000	2,583,029	2,351,592	9.8%
2200 Instructional Staff	17.	344,356	98,556	35,726	2,868	1,878	536,800	483,384	419,001	15.4%
2300 General Administration	18.	0	0	0	0	0	0	0	0	0.0%
2400 School Administration	19.	0	0	0	0	0	0	0	0	0.0%
2500 Central Services	20.	0	0	1,372	0	0	5,000	1,372	220	523.6%
2600 Operation & Maintenance of Plant	21.	0	0	60	0	0	0	60	0	--
2900 Other	22.	0	0	0	0	0	0	0	0	0.0%
3000 Operation of Noninstructional Services	23.	0	0	0	0	0	0	0	0	0.0%
Subtotal (lines 15-23)	24.	4,628,936	1,632,224	820,282	59,989	2,928	7,714,300	7,144,359	7,076,136	1.0%
400 Pupil Transportation	25.	1,091,343	452,018	336,111	289,477	0	2,250,000	2,168,949	1,497,509	44.8%

Charter AFR Values

C. Special education programs by type

	Program 200 budget	Program 200 actual	
1. Total all disability classifications	250,124	212,414	1.
2. Gifted education	0	0	2.
3. ELL incremental costs	0	0	3.
4. ELL compensatory instruction	0	0	4.
5. Remedial education	0	0	5.
6. Vocational and technical education	0	0	6.
7. Career education	0	0	7.
8. Total (lines 1-7)	250,124	212,414	8.
9. Expenses incurred for transporting students with disabilities (as defined in A.R.S. §15-761) unique to the IFP	0	0	9.

District AFR compares pages 2 and 7.

The value on page 2, line 28 subtotal should be equal to the value on page 7, line 8 to reflect all M&O spending from the special education program.

The MOE calculation sums lines 1 and 9 on page 7.

Expenses	Instructions	Salaries 6100	Employee benefits 6200	Purchased services 6300, 6400, 6500	Supplies 6600	Other 6800	Totals			% Increase/decrease in actual
							Budget	Actual	Prior year actual	
1000 Schoolwide Project and 1500-1999 Other Special Project										
200 Special education										
1000 Instruction	17.	123,394	37,596	43,907	7,517	0	213,124	212,414	195,545	8.63%
2000 Support services										
2100 Students	18.	0	0	0	0	0	37,000	0	554	-100.00%
2200 Instruction	19.	0	0	0	0	0	0	0	500	-100.00%
2300 General administration	20.	0	0	0	0	0	0	0	0	0.00%
2400 School administration	21.	0	0	0	0	0	0	0	0	0.00%
2500 Central services	22.	0	0	0	0	0	0	0	0	0.00%
2600 Operation & maintenance of plant	23.	0	0	0	0	0	0	0	0	0.00%
2900 Other support services	24.	0	0	0	0	0	0	0	0	0.00%
3000 Operation of noninstructional services	25.	0	0	0	0	0	0	0	0	0.00%
4000 Facilities acquisition & construction	26.	0	0	0	0	0	0	0	0	0.00%
5000 Debt service	27.	0	0	0	0	0	0	0	0	0.00%
Subtotal (lines 17-27)	28.	123,394	37,596	43,907	7,517	0	250,124	212,414	196,599	8.04%
400 Pupil transportation	29.	0	11	24,536	4,990	448	14,947	29,985	12,643	137.17%

Preparation for the MOE Compliance Testing Window

- PEAs at risk of failing to meet MOE Compliance standards will be contacted by ESS Program Management during the month of February
- PEAs must validate the amounts reported on page 7 or 8 reflect only M&O expenses, no federal funds
- PEAs must reconcile any discrepancies between the amounts reported on page 2 and 7/8
- If necessary, a revision of the AFR should be uploaded to School Finance
- Determine if the decrease in M&O spending is considered an allowable exception to Maintenance of Effort

34 CFR § 300.24 – Exception to Maintenance of Effort

§ 300.204 Exception to maintenance of effort.

Notwithstanding the restriction in [§ 300.203\(b\)](#), an LEA may reduce the level of expenditures by the LEA under Part B of the [Act](#) below the level of those expenditures for the preceding fiscal year if the reduction is attributable to any of the following:

- (a) The voluntary departure, by retirement or otherwise, or departure for just cause, of special education or related services personnel.
- (b) A decrease in the enrollment of children with disabilities.
- (c) The termination of the obligation of the agency, consistent with this part, to provide a program of special education to a particular child with a disability that is an exceptionally costly program, as determined by the SEA, because the child -
 - (1) Has left the jurisdiction of the agency;
 - (2) Has reached the age at which the obligation of the agency to provide FAPE to the child has terminated; or
 - (3) No longer needs the program of special education.
- (d) The termination of costly expenditures for long-term purchases, such as the acquisition of equipment or the construction of school facilities.
- (e) The assumption of cost by the high cost fund operated by the SEA under [§ 300.704\(c\)](#).

(Approved by the Office of Management and Budget under control number 1820-0600)

(Authority: [20 U.S.C. 1413\(a\)\(2\)\(B\)](#))

[[71 FR 46753](#), Aug. 14, 2006, as amended at [80 FR 23667](#), Apr. 28, 2015]

Every PEA in the state is eligible to submit exceptions in the MOE application to justify the decrease spending/budgeting levels.

Only those exceptions submitted during the MOE Compliance test can change the thresholds for future compliance and eligibility tests. If a PEA submitted exceptions in the FY24 MOE Eligibility test, it should submit those same exceptions in the FY24 MOE Compliance test to lock in the reduced spending threshold.

A. Special Education Staff Departures

B. Decrease in SPED Enrollment

C. Termination of Obligations

D. Termination of Costly Long-Term Purchases

E. The Assumption of Cost by the High Cost Fund Operated by the SEA

F. Allowable Adjustment to Local Fiscal Efforts

Submission Deadlines for ESS Claims

HCC Round for Funding Approval	Submission Deadline
1st	October 27, 2023
2nd	January 26, 2023
3rd	March 29, 2024
4th	May 31, 2024

ESEN Round for Funding Approval	Submission Deadline
1st	September 30, 2023
2nd	November 30, 2023
3rd	February 29, 2024
4th	May 31, 2024

FY24 ESS Claims are open until May 31, 2024.

Each PEA can submit 1 application per HCC round and 6 applications per ESEN round.

PEAs are eligible for up to \$75,000 in HCC funds and \$125,000 in ESEN funds, subject to available funds in FY24.

FY24 ESS Program Management Webinar Series

FY24 Webinar Series

Join the ESS Program Management team at the FY24 webinar series. Webinars will take place via Zoom from 11:00 a.m. to 12:00 p.m. on the 2nd Tuesday of each month (unless indicated otherwise).

- [March 1, 2024](#): IDEA Maintenance of Effort (Friday)
- [April 9, 2024](#): Special Education Funding: How, When, and What Order to Spend?
- [May 7, 2024](#): Fiscal Year Wrap-Up

ESS Office Hours

ESS Program Management will also host Office Hours each quarter at 1:00 p.m. PEAs are invited to attend these informal Zoom meetings to bring questions directly to their program specialist.

- [February 20, 2024](#)
- [March 19, 2024](#)
- [April 16, 2024](#)
- [May 21, 2024](#)

Contact Us

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PEA Name Starts With	Program Specialist	Phone Number
A-C	Nancy Chavarin	602-542-3270
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L-Q	Tanya Rodriguez	602-542-4610
R-Z	Nancy Chavarin	602-542-3270