

TO: Roger D. Breed, Ed.D.
Commissioner of Education

FROM: Gary M. Sherman, Office of Special Education
Greg Prochazka, Financial Services

SUBJECT: Allocation of estimated dollar amounts for payment of special education aid in 2011-12

PROPOSED BOARD ACTION

Approve the listed estimated dollar allocations for payment of special education programs, transportation, residential services and Interim School Programs in 2011-12.

BACKGROUND INFORMATION

- For School Age Programs provided in 2010-11, NDE shall reimburse each school district/approved cooperative in the following year a pro-rata amount as determined by the State Board from appropriations for special education and based on allowable excess costs. The total allowable reimbursable cost for Support Services (flexible funding) remains at 5% as previously established by the State Board (79-1142)
- For School Age Transportation provided in 2011-12 pursuant to 79-1129, NDE shall reimburse each school district/approved cooperative a pro rata amount as determined by the State Board from appropriations for special education and based on allowable costs (79-1144).
- For Preschool Programs and Transportation provided in 2011-12, if the federal IDEA base year flow-through allocation is inadequate to pay 100% of the allowable costs, the amount of the grant payments provided to school districts/approved cooperatives by NDE shall be a pro-rated amount as determined by the State Board from appropriations for special education and based upon allowable costs. (79-1132) As per federal regulation, IDEA Sect. 611 “base” flow through allocations will be distributed to school districts based on the 1998 special education child count (ages 3-21). As per federal regulation, the IDEA Sect. 619 “base” flow through allocation will be distributed based on the 1997 special education child count (ages 3-5). The “base” allocations are capped and will not increase annually. The total allowable cost for Support Services (flexible funding) remains at 5% as previously established by the State Board.
- For Residential Services necessary to receive an appropriate special education program in 2011-12, NDE shall provide pursuant to 79-1152 for the ordinary and reasonable cost of residential care during the duration of the special education program (79-1147). Partial reimbursement for Nebraska students attending Iowa School for the Deaf (ISD) is included.
- As per 79-215(10), projected reimbursement for approved Interim Program Schools is included.

- The State Board established 2010-11 state general fund and federal fund dollar allocations for payment of special education aid at the October, 2010 meeting.

Adjustments to the 2010-11 allocations were made to allow for maximum use of the funds available.

Estimated Cost

(Estimated cost) Refer to Supporting Documentation

Supporting Documentation Included: Allocation of Estimated Dollar Amounts for Payment of Special Education Aid in 2011-12

For additional information on this item: Call Gary M. Sherman (402) 471-2471 or e-mail gary.sherman@nebraska.gov or Greg Prochazka (402) 471-4314 or e-mail greg.prochazka@nebraska.gov.

ALLOCATION OF ESTIMATED DOLLAR AMOUNTS FOR PAYMENT OF
SPECIAL EDUCATION AID IN 2011-12

I. State General Fund Appropriation		
A.	Allowable Costs Reimbursed	
A1.	Residential Services	\$300,000
A2.	Preschool Flex Funding ^(b)	300,000
A3.	Interim Program Schools ^(h)	3,394,795
	Support Services (non-verified students)	\$1,923,410
	Sp. Ed. Services (verified students)	1,471,385
B.	Allowable Costs Reimbursed at a pro-rata amount ^(a)	
B1.	Programs	162,998,983
B2.	Transportation	15,730,382
C.	General Fund Total (\$184,893,842) ^(d)	\$182,724,160 ^(c)
II. Federal IDEA Part B Appropriation (Sect. 611/Sect. 619)		
A.	Base Allocation Grants ^(e)	\$24,115,073
A1.	Programs	\$21,221,265
A2.	Transportation	2,893,808
B.	Enrollment/Poverty Allocation Grants ^(f)	63,166,712
C.	IDEA ARRA ^(g)	31,020,917
C1.	IDEA ARRA Part B Grants (611)	\$29,681,648
C2.	IDEA ARRA Preschool Grants (619)	1,339,269
D.	IDEA Flow-Through Total	\$118,302,702

(a) Pro rata amount will be based on available general fund appropriations and the actual total allowable reimbursable costs claimed for school age programs, including Flex Funding and transportation. During 2010-11 the district reimbursement rate was approximately 53%. (Final Financial Reports of actual program costs due October 31, 2011; Final Transportation Claims due September 30, 2012). Refer to footnote (d).

(b) Continuation of Preschool Flexible Funding.

(c) Includes an adjustment (reduction) of approximately \$2,169,682 for MIPS transfer to DHHS. Should a balance remain in the Section IA designated categories after all eligible obligations have been met, any remaining funds will be applied to the pro rata amount to meet allowable claims in Section IB. If sufficient funds are not allocated to meet Section IA1 costs, funds will be drawn from Section IB to meet obligations. If sufficient funds are not allocated to meet Section IA3 obligations, costs not reimbursed this year are to be reimbursed the following year.

- (d) As per state statute (79-1145), general fund increase shall not exceed a 5% increase over previous year's total general fund appropriation for special education aid (0% increase for 2011-12).
- (e) Amount will be based on IDEA base year flow-through allocations (Sect. 611--\$22,507,423; Sect. 619--\$1,607,650). IDEA "base" flow-through allocations will be distributed to school districts through grants. (Final Financial Reports of actual program costs due October 1, 2012; Final Transportation Claims due September 30, 2012).
- (f) As per federal regulation, for school districts meeting special education maintenance of effort (MOE) requirements, 85% of the additional IDEA funds above the base year flow-through allocation is distributed according to total district population (public/private school enrollment) of children ages 3 to 21 and 15% is distributed on poverty (children registered for free and reduced meals). School districts are to use the IDEA "base" allocation and the IDEA "Enrollment/Poverty" allocation to achieve the annual NDE threshold established for Preschool funding (i.e., same percent of reimbursement as for school age programs). Based upon available IDEA State Set-Aside dollars, NDE intends to provide supplemental IDEA funding to those districts not able to achieve the Preschool threshold with the district IDEA flow-through allocations. Once the Preschool threshold has been achieved, a district may use any remaining IDEA flow-through dollars to supplement special education costs not covered by state or federal payments (i.e., increase the percentage of excess costs being paid) or to expand special education services. Amount includes 2011-12 allocation of \$43,265,756 (611--\$43,239,224; 619--\$26,532) plus, as of 7/1/11, approximately \$19,900,956 carryover funds for a total of \$63,166,712.
- (g) One time allocation distributed to school districts via grants as per federal enrollment/poverty formula (refer to footnote f) for the period of 2/17/09 to 9/30/11. Part B amounts available as of 7/1/11. Additional IDEA ARRA Part C funds in the amount of \$818,091 are being distributed to districts serving at least ten infant/toddlers with disabilities and the ESUs. The remaining IDEA ARRA Part C dollars (\$515,002) are available for Co-Lead (NDE & DHHS) state initiatives to enhance statewide services provided to infants/toddlers with disabilities below the age of three. Part C amounts available as of 7/1/11.
- (h) As per 79-215(10), NDE is required to make payments (100% of costs—current year) to service agencies, with an approved Interim Program School, for educational services for non-wards placed in residential settings in Nebraska for reasons other than to receive an education. Reimbursement is available for both verified students receiving special education and for non-verified students receiving support services. Section 1A3 (estimated costs not reimbursed for previous year): \$90,675 (Support services: \$46,583; SPED services: \$44,092)