

The logo features the text "Louisiana Believes" in a green, hand-drawn font, underlined. The background is a light blue watercolor wash.

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Louisiana Department of Education

High Cost Services Allocation
School Year 2017-2018

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Updated January 31, 2018

Introduction

The Louisiana Department of Education (LDE) has established a High Cost Services grant to support school systems and schools who serve our state's students with the most difficult needs. This High Cost Services grant is intended to provide additional funding for high-cost special education services for students with disabilities. This fund is made up of money from the state's IDEA allocation and Minimum Foundation Program (MFP) formula.

The High Cost Services Grant application is included in the Unified Application process on the state's electronic Grants Management System (eGMS). This document contains guidance concerning the application for these funds and the expenses allowable under the High Cost Services Grant allocation process.

General Information

1. A local education agency (LEA) is eligible to apply for the High Cost Services grant on behalf of any student, ages 3-21, with an active Individualized Education Plan (IEP) who receives services that are deemed to be greater than three times the average per pupil expenditure. The average per pupil expenditure is \$11,735. LEAs can identify up to 30 students whose total education cost in the 2016-2017 school year exceeded \$35,205 and apply for additional funds to support the education of those 30 students in the LEA during the 2017-2018 school year. NOTE: Round two will account for any student who is new to the LEA and meets the eligibility criteria. Further details about round two are explained later in this document.
 - LEAs should do a cost analysis of all students with IEPs in their jurisdiction and determine the appropriate students to submit applications for through this grant.
2. High Cost Services funds are student specific and cannot be used to support any other students.
 - If the student approved for funds no longer needs the services designated in the application, or if the student withdraws or transfers to another LEA, the LEA that was allocated funds must notify Louisiana Department of Education in writing no later than 10 days after the student's status changes.
 - The LEA that received funds will not be eligible to retain any remaining unobligated or unexpended funds.
 - Any remaining unobligated or unexpended funds will follow the student who transfers to any LEA within the state if the system or school requests or confirms the need for the funds.
 - Any specialized equipment purchased with High Cost Services funds will follow the student to any LEA within the state and shall become part of the receiving LEAs inventory list.
 - LDOE staff will monitor High Cost Services and student jurisdiction through the Special Education Reporting (SER) system and other auditing systems.
3. LEAs may apply for reimbursement of allowable costs that exceed the eligibility threshold of \$35,205 and are associated with educating a specific student with a disability as identified in the student's IEP. When completing applications in eGMS, the system will indicate the amount of eligible reimbursement for the individual student application based on the total amount entered as the cost to educate the student in the prior year compared to the eligibility criteria of the grant. *This calculation represents a deduction that is inclusive of the MFP state and local amount allocated on behalf of each student from Levels 1, 2, and 3.* LEAs should keep accurate internal records of all other expenses from the prior year used for justification that the student meets the eligibility criteria of the grant as all expenses are subject to further audit.

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- Example: If the total cost to educate the student in the prior year was \$45,000, the LEA may apply for reimbursement of up to \$21,530
 - Process: The ~~MFP amount per the student~~ **average per pupil amount** (\$11,735) is subtracted from the eligibility criteria a student must meet to be eligible to participate in the grant (\$35,205). The remaining balance (\$23,470, **which is inclusive of the MFP**) is subtracted from the total cost to educate the student in the previous year (\$45,000) to populate the amount that can be requested for reimbursement \$21,530.
- **Allowable** costs under both funding sources are limited to:
 - Certified teachers in specific low incidence disability areas, for example Deaf/ Hard of Hearing and Visual Impairment, where students are receiving the majority of their services from a generically certified special education teacher. Both specialty teachers and 1:1 teachers must be described on the IEP.
 - One-on-one or two-on-one paraprofessional support to address the student's high cost services. The terms "child specific aide" or "1:1 or 2:1 paraprofessional" must be indicated on the IEP.
 - Special transportation costs are limited to personnel, equipment, or services required for the specific high need cost as identified on the IEP. Any transportation costs not specific to the high need student or prorated for this student are unallowable. Services must be provided directly to the student and must be clearly described on the IEP under "Special Transportation."
 - Specialized equipment or supplies.
 - Specialized training needed to implement the student's high cost services.
 - Related services, such as nursing services, occupational therapy, physical therapy, speech-language pathology, educational interpreters, Mental Health Professional Counselor that are above and beyond what the majority of students in the school are receiving.
- **Unallowable** costs under both funding sources include:
 - Basic classroom costs, such as teachers, materials and supplies, transportation and other routine costs associated with the provision of special education and related services to students with disabilities.
 - The salary and benefits of a bus driver are not reimbursable if the student qualifying as high cost and other students (not qualifying as high cost) are on the bus at the same time.
 - Related services costs that are provided at the same level as all other students with disabilities. For example, a typical service delivery model is 30 minutes twice a week.
 - Construction cost such as buildings and sidewalks.
 - Legal fees, court costs or other costs associated with a cause of action brought on behalf of a student with a disability to ensure a FAPE for the child.

Furthermore, LEAs may not use IDEA funds to pay for medical services eligible under the State Medicaid Program per guidance from the United States Department of Education, Office of Special Education Programs (OSEP).

4. Use of Funds

High Cost Services Allocation funds are intended to provide additional funding to school systems and schools to ease the strain on their budgets for the provision of multiple or complex services necessary to support students with disabilities.

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IDEA requires school systems or schools to spend the same level of state and local funding (general funds) that they spent in the prior year on special education services for students with disabilities. This is called Maintenance of Effort or MOE.

- If IDEA funds provided through this allocation, replace general funds spent on special education services in the prior year, the same amount of general funds replaced with IDEA funds must be spent on other special education services to meet MOE.
- Since MFP formula funds and other state revenue funds are general funds, MOE is not negatively impacted if school system or school spends these new MFP formula dollars on special education services for a high need child provided the funding level remains the same as in the prior year.

High Cost Services Allocation funds provided through the MFP formula do not carry over and must be expended or encumbered before June 30, 2018. State funds must be claimed by July 15, 2018 or they will revert to the State Treasury. The portion of the allocation supported with IDEA funds must be expended and encumbered before September 30, 2018. Unused IDEA funds will revert to the LDOE after September 30, 2018.

- There will be one budget in eGMS for the MFP formula portion and the IDEA portion of the High Cost Services Allocation.
 - Requests for reimbursement will be submitted to that one allocation.
 - Funds will be drawn down from the MFP formula until these portions are exhausted.
 - Funding then switches to the IDEA portion until the IDEA portion is exhausted.

Application Process

The following procedures will be implemented:

1. The application will be included as a competitive grant application in the Unified Application. The funding period for the MFP formula funds allocation is July 1, 2017 through June 30, 2018. The IDEA funding portion has a funding period through September 30, 2018
2. Applications must be received by the LDOE by the date outlined in the application release. A second application cycle will be held in October of 2017 for students who are new to the LEA. This includes any student who meets the eligibility criteria and enrolled in the LEA after the last day of the 2016-2017 fiscal year but prior to September 30, 2017. Round two applications will be submitted using projected costs to educate the student for the 2017-2018 school year based on the services outlined in the student's IEP.
3. For each student for which they are applying, LEAs must include materials, services, supports, and/or personnel included in the application based on actual expenditures from the prior year. The total amount of funds needed to provide a free and appropriate education (FAPE) to the student in the prior year must be greater than \$35,205. Persons submitting and reviewing applications must take appropriate actions to ensure the confidentiality of any and all personally identifiable data, information, and records collected or submitted throughout the process and must provide specific information as to where the LDOE staff reviewing the application can find justification of the requested expense in the student's IEP.
4. For the purpose of meeting eligibility criteria, the full amount expended on the student should be included in the application and the LEA must keep records of all expenses used to support the student meeting the eligibility criteria. . Requests for funds through this grant will only be permitted for any cost exceeding \$35,205.
5. Current year applications, meeting the minimum submission requirements, will be considered for

funding.

6. Students who were approved for funds but transfer to another LEA will have their funds transferred if the new LEA requests or confirms the need for the funds.
7. If the needs of the student approved for funds change related to changes in the IEP, budget amendments are allowed throughout the year.

Allocation Methodology

Applications will be funded based on the needs of the student, the cost to educate the student, and the availability of funds. Once all requests have been reviewed and the qualifying applications selected, the allocation of available funds will be calculated. The LDE has designated \$4 million from IDEA funds. Based upon legislative approval of the budget, the LDE will designate the use of MFP formula funds to increase the available funds for High Cost Services. An additional \$400,000 of IDEA funds has been set aside for the second application cycle in October 2017. The allocation methodology will be the same for both the original application and the second application cycles. The calculation is as follows:

1. *The MFP state and local amount allocated on behalf of each student from Levels 1, 2, and 3 was included in the deduction to the total amount spent on the student in the prior school year to determine the amount eligible to be requested for reimbursement.*
2. Once costs associated with providing services for a student with disabilities have been verified, the city or parish school system or other public schools will be eligible to receive an allocation to assist with these costs.
3. The allocation will be limited by the amount budgeted for the High Cost Services Allocation.
4. In order to be equitably distributed, the total allocation provided to city and parish school systems versus other public schools shall be proportional to the share of total qualifying applications submitted by city and parish school systems versus other public schools.
5. For each LEA, the eligible costs are totaled and used to calculate the Percent Impact on the budget of the LEA by assessing the eligible amount as a percent of total state and local revenue.
6. The Percent Impact will be ranked from highest to lowest within the two separate categories – school systems and other public schools.
- ~~7. The total approved eligible costs for each student will be reduced by the MFP state and local amount allocated on behalf of each student from Levels 1, 2, and 3 to calculate the net costs available for reimbursement.~~
8. Next, each of the two rank listings will be divided into four weighted tiers so that the total amount of funding in each group is allocated. The highest tier will be weighted 100% with the other tiers being a smaller amount. The weight determined for each tier below 100% is dependent on the total value of the requests and the total funds available. (Note: no individual LEA will be eligible to receive more than 25% of the overall pot of available funds)

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9. Final allocations will be the net eligible costs times the weighted percent of the tier in which the cost was ranked.