



Louisiana Believes

Louisiana Department of Education

High Cost Services Allocation
School Year 2014-2015

John White
State Superintendent of Education

Introduction

The Louisiana Department of Education (LDE) has established a High Cost Services grant totaling \$8 million to support school systems and schools who serve our state's hardest to serve students. 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 from the Minimum Foundation Program (MFP).

The High Cost Services Allocation application is included in the Unified Application 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 Allocation.

General Information

1. A school system or school is eligible to apply for the High Cost Services grant on behalf of any student, ages 3-21, with a current Individualized Education Plan (IEP) who is currently receiving services that are deemed to be greater than three times the average per pupil expenditure. The average per pupil expenditure is \$11,277. Districts can apply for the grant if the cost to educate the student exceeds \$33,831.

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 school system or school, the school system or school that was allocated funds must notify the Office of Student Programs (OSP) in writing no later than 10 days after the student's status changes.
 - The school system or school 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 public school system or school within the state.
 - Any specialized equipment purchased with High Risk Pool funds will follow the student to any public school system or school within the state.
- OSP staff will regularly monitor High Cost Services and student jurisdiction through the Special Education Reporting (SER) system.

3. School systems or schools may apply for any costs associated with educating a student with a disability as identified in the student's IEP.

Eligible costs under both funding sources include, but may not be limited to:

- One-to-one nursing services
- Special transportation and/or special transportation aide
- Specialized equipment
- Specialized training
- Related services, such as occupational therapy, physical therapy, speech-language pathology, etc.

Ineligible costs under both funding sources include, but may not be limited to:

- Basic costs of the classroom, such as materials and supplies, transportation and other routine costs associated with the provision of special education and related services to students with disabilities.
- 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 expensive services necessary to support students with disabilities. This allocation would free up funding to dedicate to other services for students with disabilities.

IDEA requires school systems or schools to spend the same level of state and local funding (general funds) on special education services for students with disabilities that they spent in the prior year. 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 funds are general funds, MOE is not negatively impacted if school system or school spends these new MFP 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 do not carry over and must be expended or encumbered before June 30, 2015. State funds must be claimed by July 15, 2015. For the portion of the allocation supported with IDEA, these funds must be expended and encumbered before August 31, 2015. All unused funds will revert to the LDOE on September 1, 2015.

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 funds allocation is September 1, 2014 through June 30, 2015. The IDEA funding portion has a funding period from September 1, 2014 through August 31, 2015.
2. Applications must be received by the LDOE no later than June 30, 2014. A second application cycle will be held in October of 2014 for students who are new to the school systems and schools since the original application period, and meet the established criteria.
3. For each student for which they are applying, school districts and schools must include a reasonable cost estimate for the materials, services, supports, and/or personnel included in the application. The total request

per student must be greater than \$33,831. 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.

- a. Costs for related service providers should be estimated based on amount of service hours on the student's IEP. (e.g. Student receives occupational therapy 30 minutes twice a week. Cost for occupational therapy for the student is estimated to be \$200 per week or \$7,500 for the school year.)
 - b. Costs for materials and services should be prorated according to the specific use of the student. (e.g. Three students share assistive technology throughout the school day. Cost of assistive technology should be divided by three to determine cost per student. If the student has his/her own assistive technology device that is not shared by other students, the total cost can be budgeted to that student.)
4. For the purpose of meeting eligibility criteria, all materials, services, supports, and personnel listed in the application must be supported by the student's IEP, evaluation, health plan, and/or behavior plan.
 5. Current year applications, meeting the minimum submission requirements, will be considered for funding. Recommendations for funding will be provided to BESE for approval in August 2014.

Allocation Methodology

Applications will be funded based on the needs of the student, the cost to educate the student, the impact of the costs of services on the budget of the school system or school where the student is enrolled, 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 approximately \$8 million for the High Cost Services Allocation - \$4 million from IDEA funds and \$4 million from MFP funds. The availability of the MFP funding for this allocation is dependent on the proposed 2014-15 MFP formula being approved by the Legislature during the 2014 Session. An additional \$400,000 of IDEA funds has been set aside for the second application cycle in October. The allocation methodology will be the same for both the original application and the second application cycles. The calculation is as follows:

1. For each student, the total approved eligible costs for each student will first be reduced by the MFP state and local allocation amount from Levels 1, 2 and 3 to calculate the net costs available for reimbursement.
2. For each school system or school, the resulting net costs are totaled and then used to calculate the Percent Impact (%) of these costs on the budget of the school system or school by assessing the percentage of overall expenditures that these costs constitute.
3. The initial \$8 million will be separated into a pot for school systems and one for other public schools. This split will be allocated pro rata based on the proportion of total approved costs received from school systems vs. other public schools. Within each pot of money, the same process will be followed.
4. The Percent Impact (%) will be ranked from highest to lowest percent within the two separate categories—school systems and other public schools.
5. 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 some

Louisiana Believes

smaller amount. The weight determined for each tier below 100% is dependent on the total value of the requests against the total funds available.

6. Final allocations will be the net requested costs available for reimbursement times the weighted percent of the tier in which the cost was ranked.