Special Education Funding Updates and State Fiscal Year (SFY) 2016 Tuition Rate Calculations

Director’s Forum
March 6, 2015

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Topics

• SFY 2014 Tuition – Federal Funds.
• SFY 2015 Reminders.
• Transition Disabled Electronic Data Reporting System (EDRS).
• Changes to SFY 2016 Spreadsheet.
• SFY 2016 Base for State Aids.
• SFY 2016 Tuition Billing Rate Calculations.
• “Chapter 10 Grid” for Non-federal expenditures.
• Q and A.
• Special Education Funding and Data Staff Roles.
SFY 2014 State Aids and Tuition

- On February 11, 2015 the Division of School Finance will be doing the final calculation of SFY 2014 state special education aids with tuition adjustments.
- The federal funds that resident districts have requested to be reserved for tuition will be applied to the unreimbursed costs of tuition.
- This will mean an adjustment of your state special education aids for SFY 2014.
- Federal funds are anticipated to be paid at or near the same time as the adjustment of state special education aids.
SFY 2015 Updates and Reminders

• The last calculation for SFY 2015 this fiscal year has been completed and posted to the Minnesota Funding Reports (MFR).

• All SFY 2015 Special Education and Transition Disabled EDRS need to be updated and be as complete as possible by April 30, 2015.

• SFY 2015 Special Education and Transition Disabled EDRS data will be forwarded to SFY 2016 on May 1, 2015. The process begins at 6:00 a.m.
SFY 2015 Updates and Reminders (2)

• Districts, Cooperatives and Charter Schools may begin to update their SFY 2016 data after May 1, 2016 as budgets are known.

• The Division of School Finance will update the SFY 2016 state aid calculations more frequently than typical so districts will have opportunities to finalize budgeted data as it is known.

• Please stay tuned to “SFY 2016 Tuition Calculations Calendar” on the Minnesota Department of Education’s (MDE’s) Website and a presentation at Spring MASBO Conference by Steve Collins.
Transition Disabled EDRS

• Transition Disabled EDRS will remain a separate system through SFY 2016 due to the “Hold Harmless and Growth Limit” calculations.

• SFY 2016 Transition Disabled data will be forwarded to SFY 2017 by MDE to the Special Education EDRS so that districts will not have to reenter all the data.

• The Division of School Finance will be responsible for Transition Disabled EDRS and the Division of Career Tech Education will be responsible for the program aspects.
Revised SFY 2016 Spreadsheet

• A revised SFY 2016 Spreadsheet that districts may use to estimate SFY 2016 State Special Education Aids will be posted to the MDE Website shortly (if not already).

• The revised spreadsheet may be found at:

  School Support > School Finance > Special Education > State Funding
Revised SFY 2016 Spreadsheet (2)

• Workbooks (WB):
  o District Pink/WB 1 – State Aid calculations with ‘Hold Harmless and Growth Limits’.
  
  o Charter/Coop Pink/WB 2 – State Aid calculations without ‘Hold Harmless and Growth Limits’.
  
  o Non-Federal Yellow/WB 3 – Listing of the non-federal expenditures by Funding Source Code and Finance Dimension. This workbook has been updated.
Revised SFY 2016 Spreadsheet (3)

- Old Formula Green/WB 4 – Calculation of SFY 2016 data calculated as SFY 2012 (Hold Harmless).

- Tuition Rates Blue/WB 5 – Calculations of tuition rates for SFY 2016.

- “Chapter 10 Grid” Ivory/WB 6 – Grid to show eligible non-federal expenditures in UFARS.
The Yellow/Old Workbook 2 has been updated with corrected object codes and the correction of Funding Source Code ‘i’ and ‘j’.
SFY 2016 Base for State Special Education Aids

• Please turn to page 4 of the “Pink” Spreadsheet.

• Lines 65 through 69 are used to calculate the base for SFY 2016 state special education aids.

• Line 70 will be the base for future year calculations.

• The SFY 2016 base (Line 70) will be modified for later year calculations by changes in the Adjusted Average Daily Membership (ADM) as compared with the SFY 2016 Adjusted ADM base.
SFY 2017 Base for State Special Education Aids

• For example:

  SFY 2016 Adjusted ADM 4,356
  SFY 2017 Adjusted ADM 4,512

• Results:

  $4,512 / 4,356 = 1.035$

• If the district’s SFY 2016 base was: $1,692,056$
  then the SFY 2017 base would be: $1,751,278$
SFY 2017 Base for State Special Education Aids (2)

- The district’s base becomes the minimum to which the Growth Factor is applied. Let’s say that the Growth Increase Limit is $100 in SFY 2017. The ADMs served in SFY 2017 was 4,414.

- New Base: $1,751,278
  
  4,414 x $100 + $441,400

  New Growth Limit $2,192,678
SFY 2016 Tuition Billing Rate Calculations

• The concept of ‘reimbursable’ and ‘non-reimbursable’ does not apply to SFY 2016 and later.

• In SFY 2016 there will only be “Unreimbursed” costs.

• Conceptually, the eligible expenditures (Pink Worksheet Line 16) minus State Special Education Aid (Pink Worksheet Line 79) leaves “Unreimbursed” costs.

• Transportation is calculated separately for tuition transportation rates.
SFY 2016 Tuition Billing
Rate Calculations (2)

• Please turn to the “Blue Spreadsheet” and we will walk through these calculations.
Non-federal Eligible Expenditures

• The Division of School Finance has developed a “Chapter 10 Grid” for non-federal expenditures for the purpose of assisting districts to code non-federal expenditures correctly in Uniform Financial and Reporting System (UFARS).

• Please see Ivory colored attachment.
Questions have been asked about the reconciliation of state special education aids.

At this time the programming has not been developed, however, the Division of School Finance is looking at the total eligible entries on EDRS for state to the total expenditures on audited UFARS.

There will no longer be categories of reimbursement, e.g. salaries, contracted services, supplies, materials and equipment.
Q1. It does not seem that I am getting quite 90% of my entitlement for state special education aids in the current year. Is there something that I am missing?

A1. Yes. You are missing Minnesota Statute 127A.45 Subdivision 13. State special education aids pay at 97.4% of the 90%. In the second year it is the full 100% payable.
Q2. When I am entering data on Funding Source Code little ‘a’, I do not see any aid calculated. What is wrong?

A2. Nothing is wrong. The non-federal expenditures do not calculate aid as those expenditures are used in SFY 2016. There will be no initial aid in SFY 2016, e.g. 68% of salaries, etc.
Q3. Will there be a state-wide adjustment in SFY 2016 or only proration or both?

A3. There will be no state-wide adjustment factor in SFY 2016. There is a small proration factor anticipated.
Q and A (4)

Q4. The spreadsheet for SFY 2016 does not seem to calculate the data correctly. Why?

A4. When posting an accessible spreadsheet, there are issues with some calculation commands and also different versions of Excel seem to handle the data differently. We are making an effort to make sure that all the calculations work before loading the next spreadsheet. You will need to verify the calculations.
Q5. I am at the growth limit and seem to have some increase in state special education aid. Could I be missing something?

A5. Yes, in estimating your calculations are you accounting for the fact that the cooperatives, education districts and intermediates are going to receive state special education aids directly? If not that could be a major factor in reducing your tuition adjustment.
Q6. I am having a tough time understanding the non-federal expenditures for “direct expenditures that are necessary and essential to meet the district’s obligation to provide special instruction and services.” Can you help me?

A6. You are not alone. MDE has an inter-division group working on a “Q & A” to help clarify when it is an eligible expenditure for non-federal. Stay tuned…
Q7. What is the “Program Growth Factor” in the SFY 2016 spreadsheet? It is currently 1 so will it change?

A7. Minnesota Statue 125A.76 Subdivision 1 states, “Program growth factor means ... 1.0 for SFY 2016, 1.046 for SFY 2017, and the product of 1.046 and the program factor for the previous year for fiscal year 2018 and later.”
Q 8. Should I continue to use my federal funds for benefits of finance 740 staff?

A 8. It depends.
Staff Assignments

• Please remember to send all emails unless otherwise directed to:

  mde.spedfunding@state.mn.us
Staff Assignments
Michelle Jones

• Tuition Billing
  o Calculating Rates, Invoices and District’s Tuition Adjustments and
  o Reviews all Tuition Appeals.
• Discretionary Federal Projects.
• Fund Balance Adjuster – State Educational Record View and Submission (SERVS) Financial.
• Child Count.

Phone: 651-582-8577
Staff Assignments
Mike Landers

- State Special Education Aids.
- Construction and Remodeling Applications for federal special education funding.
- Vehicle Purchases with federal special education funds.
- Cross-Subsidy Report.

Phone: 651-582-8810
Staff Assignments
Steve Collins

- EDRS.
- Special Education (SpEd) and Transition Disabled.
- Federal Allocations.
- EDRS Training.
- Applications – State.
- Reconciliation.
- Initial Maintenance of Effort (MOE).

Phone: 651-582-8467
Staff Assignments
Michael Brooks

- SERVS Financial Applications.
- SERVS Specialist.
- Applications for Coordinated Early Intervening Services (CEIS) (Finance 425) and Mandatory CEIS (Finance 429).
- EDRS/SERVS Budget.
- Maintenance of Effort (MOE).

Phone: 651-582-8240
Staff Assignments
Paul Ferrin

- Data – Forecast (November & February).
- Excess Cost Calculations – Federal.
- Data Analytics Specialist.
- SFY 2016 Spreadsheets.
- Special Pupils.

Phone: 651-582-8864
Staff Assignments
Glenda Meixell

• Nonpublic Pupil Counts
• Coordinates Calendars
• Support Staff
• Directors’ of Special Education Database
• Mailings to ListServs
  o Business Managers
  o Directors of Special Education
  o EDRS/Fiscal

Phone: 651-582-8713