

Individuals with Disabilities Education Act – Part B (IDEA-B)

**Section 611 School Age Funds – Grants to States Program
Local Education Agency (LEA)**

Program Narrative, Administrative and Fiscal Guidelines

2016-2017



**COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF EDUCATION**

333 Market Street
Harrisburg, PA 17126-0333

www.education.pa.gov



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INDIVIDUALS WITH DISABILITIES EDUCATION ACT – PART B (IDEA-B)

I. Program Narrative Guidelines

A. Preparing the Program Narrative Format

These instructions for completing the 2016-17 Grant Agreement Program Narrative and Application should be read carefully because they include the changes that were implemented by The Office of Management and Budget's (OMB) Uniform Guidance (2 CFR Part 200). These changes are outlined in Section IV, Fiscal Guidelines, Pages 17-19.

Annually, Local Education Agencies (LEAs) are required to update their LEA policies and procedures relating to services and programs for students with disabilities. Beginning with the enactment of the 1997 Amendments to IDEA (IDEA'97 - P.L. 105-17) each LEA Application is updated annually and LEAs are only required to submit documentation for specific policies and/or procedures that are not consistent with documentation that had previously been submitted to and approved by the State Education Agency (SEA).

As a result, PDE divides the LEA Application into two documents; namely, the Grant Agreement Program Narrative and the LEA Eligibility Application. The Grant Agreement Program Narrative is required annually and will drive the funds. A submission of the LEA Eligibility Application is not required on an annual basis. Only specific sections of the LEA Eligibility Application with substantial changes are required to be submitted to PDE. This process remains the same for the implementation of IDEA 2004 (P.L. 108-446).

Questions regarding these procedures and/or changes may be addressed to:

Sue Leonard
Bureau of Special Education
717-772-1114
mleonard@pa.gov

B. Completion of the Program Narrative

1. Complete the required Program Narrative information on the eGrants application. The eGrants Program Narrative and all other LEA application information must be **submitted online to the Pennsylvania Department of Education (PDE) on or before July 1, 2016**, on PDE's eGrants website at <http://www.egrants.pa.gov/>.

Beginning in the 2014-15 fiscal year, PDE began allowing electronic signatures (e-Signatures) on the Program Narrative and all other LEA application documents. The use of e-Signatures is completely voluntary under law and if LEAs elect not to participate, LEAs will still be able to print and manually sign the Program Narrative and LEA application documents. LEAs wishing to use e-Signatures must have their governing body (school board, board of directors or board of trustees) adopt resolutions identifying and authorizing the chief school administrator or authorized representative to sign electronic agreements with PDE.

Manually-signed Program Narratives and LEA application documents must be signed by the chief school administrator or an authorized representative of the LEA. Documentation indicating that the signatory is authorized to sign contracts is required in one of the following four ways: (1) a copy of the minutes of the Board of Trustees indicating that the person was authorized to sign contracts; (2) a copy of board by-laws indicating that the person was authorized to sign contracts; (3) a signed certification by the Secretary of the Board that either minutes or by-laws exist that authorize the signatory to sign; or (4) a letter signed by appropriate board officers indicating that they ratify the signature of the individual who signed the contract.

All Program Narratives and LEA application documents must be submitted on or before July 1, 2016, on PDE's eGrants website at <http://www.egrants.pa.gov/>. If you require technical assistance with the eGrants website, you may contact the help desk at 717-783-6686.

Hard copies of e-signed Program Narratives and LEA application documents do not have to be mailed to PDE. Manually-signed LEA application documents can be scanned as an attachment via electronic mail (email) to Lisa Wolfe at liwolfe@pa.gov or uploaded via PDE's eGrants website.

2. All applicants should have local intermediate unit, school district and public charter school policies that are required by statute available in a central location for inspection by representatives of PDE and the United States Department of Education. Examples of local policies, practices, and guidelines for implementation of state and federal regulations may include, but are not limited to:
 - Referral, Screening, Evaluation, Individualized Education Program, Due Process Procedures and Formats
 - Confidentiality
 - Surrogate Parents
 - General Curriculum

3. Excess Costs

Excess costs are those costs in excess of the average annual per-student expenditure in an LEA during the preceding school year for an elementary or secondary school student with a disability, as may be appropriate. An LEA must spend at least the average annual per-student expenditure before Part B funds are used to pay the excess costs of providing special education and related services.

The LEA is required to compute the minimum average amount separately for children with disabilities in its elementary schools and for children with disabilities in its secondary schools. **Do not compute the minimum average amount it must spend on the education of children with disabilities based on a combination of enrollments in its elementary schools and secondary schools.** Excess costs must be computed annually using the preceding school year data.

C. Distribution of IDEA Funds

Intermediate units (IUs) must distribute the regional funding allocation in the following manner:

1. Component 2 funds must be utilized to support a minimum of 5.0 full-time equivalent (FTE) positions for training and consultation (TaC) in all LEAs. During the 2005-06 school year, PDE initiated a three-year phase-in that limits Component 2 funding to an amount that does not exceed eight percent of each IU total regional funding allocation. The 2007-08 school year was the third and final year of the phase-in process.

For the 2016-17 school year, LEAs that receive a Section 611 regional funding allocation of \$6 million or more, shall utilize eight percent of the 2016-17 regional funding allocation. Approval to exceed the eight percent limitation will be made by the Bureau of Special Education (BSE) on an individual case-by-case basis upon written request. This limitation does not apply to the Philadelphia Intermediate Unit; Component 2 amounts will continue to be based on the number of FTE positions approved by PDE.

Each of the six specific areas of training must include a minimum of 0.5 FTE except Response to Instruction and Intervention (RtII) that requires a minimum of 1.0 FTE. TaC staff is to provide training and technical assistance to school districts implementing Coordinated Early Intervening Services (CEIS)/RtII. RtII includes Reading, Math and Progress Monitoring. The other areas are Assistive Technology, Autism, Behavior Support, Inclusive Practices/Least Restrictive Environment (LRE), and Interagency Coordination/Transition. Approval to designate less than the required FTEs to the TaC function will be made by BSE on an individual case-by-case basis upon written request to BSE.

2. The funding distribution chart will continue to be used in 2016-17. This chart is located on PDE's eGrants system in the Narrative Section of the application. On this chart, the amounts budgeted for Training and Consultation, and Equitable Participation are deducted from the total IDEA School Age, Section 611 regional allocation. The remaining balance (Component 3) is allocated to school districts and public charter schools as the value of pass through dollars and/or IU services available to them based on their most recent child count data. The Component 3 funds available to school districts and public charter schools are determined based

on each LEA's Dec. 1, 2015, school age federal child count (ages 5-21). (Please note that the 5-year-old child count may not include those children identified as eligible for the Component 1 calculation.) The IU may provide services to school districts and public charter schools based on individual LEA need as long as the entities receiving such services agree to this and provide written assurance that this method of providing services is acceptable. These written assurances will be developed locally and will be maintained by each IU.

3. Each IU must meet with its school districts and public charter schools and identify the total value of services and programming available to each of them. If the school district or public charter school chooses services in lieu of pass through funds, the IU must document the actual cost of such services.

Please also note that the content of the Grantee's Program Narrative and Summary Budget (Appendix B) includes information on the use of Part B funds. The eGrants application will include a narrative description and charts detailing the IU's use of funds. Notices of Adoption of Policies, Procedures and Use of Funds By School Districts (Attachment A) and Public Charter Schools (Attachment B) (March 2013) must be uploaded into PDE's eGrants website.

D. Use of Funds and Adjustment to Local Fiscal Effort in Certain Fiscal Years

1. Use of Funds to Supplement and Not Supplant

LEAs must use IDEA funds to supplement and, to the extent practicable, increase the level of state and local funds expended for providing special education and related services to children with disabilities. These funds may not be used to supplant those state and local funds. (The non-supplanting requirement does not apply to the 50 percent amount that an LEA may use to reduce local funds under 34 CFR §300.205 – "Adjustment to Local fiscal effort in certain years.") [See 34 CFR §300.202(a)(3)]

2. Maintenance of Fiscal Effort

Funds provided to an LEA under Part B of IDEA may not be used to reduce the level of expenditures for the education of children with disabilities made by the LEA from their local funds below those expenditures for the preceding fiscal year. (The Maintenance of Effort (MoE) requirement does not apply to the 50 percent amount that an LEA may use to reduce local funds under 34 CFR §300.205.) (See 34 CFR §300.203 and §300.204)

3. Voluntary Coordinated Early Intervening Services (CEIS)

LEAs may use up to 15 percent of the funding received under IDEA-B to develop and implement coordinated early intervening services for students in kindergarten through 12th grade who have not been identified as needing special education or related services but who need additional academic and behavioral support to succeed in a general education environment. (Note: There is particular emphasis for students in kindergarten through third grade.)

- The amount available for coordinated early intervening services is reduced – offset by any reduction to the LEA's maintenance of effort amount under 34 CFR §300.205.

- Providing coordinated early intervening services shall not be construed to limit or create a right to Free Appropriate Public Education (FAPE) under the provision of IDEA-B or act to delay appropriate evaluation of a child suspected of having a disability.

a. Allowable Activities Include

- Professional development for teachers and other school staff to enable them to deliver scientifically based academic instruction and behavioral interventions, including scientifically based literacy instruction and, when appropriate, instruction on the use of adaptive and instructional software. Professional development may be provided by entities other than LEAs.
- Providing educational and behavioral evaluations, services and supports, including scientifically based literacy instruction.
- Providing professional development and support to teachers and other staff in assessment of students with disabilities, inclusion of students with disability in regular education settings, and in “coordinated early intervening” activities.

b. Reporting

Each LEA that develops and maintains coordinated early intervening services must report annually to PDE:

- The number of students served by coordinated early intervening services; and
- The number of students served by coordinated early intervening services who subsequently receive special education and related services under IDEA during the preceding (succeeding) two-year period. **Note:** This reporting is required in May 2016 for LEAs implementing coordinated early intervening services during the 2013-14 school year; May 2017 for LEAs implementing coordinated early intervening services during the 2014-15 school year; and May 2018 for LEAs implementing coordinated early intervening services during the 2015-16 school year.

c. Coordination with the Every Student Succeeds Act (ESSA)

Funds reserved to develop and implement coordinated early intervening services may be used to support those services aligned with activities funded by, and carried out under ESSA, as long as the IDEA-B funds are used to supplement and not supplant funds available under ESSA. (See 34 CFR §300.226)

d. Permissive Use of Funds

Funds used by LEAs to develop and implement coordinated early intervening educational services may be used without regard to requirements under 34 CFR §300.202 relating to excess cost, supplement and non-supplanting and also 34 CFR §300.162 relating to commingled funds. [See 34 CFR §300.208(2)]

e. Disproportionality

In the case where there is a determination of significant disproportionality with respect to the identification of children as children with disabilities or the placement of children with disabilities in particular educational settings or the incidence, duration and type of disciplinary actions, including suspension and expulsion of students with disabilities, the state education agency will direct the LEA to expend 15 percent of its IDEA allocation on early intervening services. The state education agency will require the LEA to reserve the maximum amount of funds to provide comprehensive coordinated early intervening services for children in the LEA, particularly children in those groups that were significantly over-identified. [See 34 CFR §300.646(b)(2)]

How It Works:

Calculating the 15 Percent Amount

2016-17 LEA IDEA-B §611 Subgrant/Allocation
(for each school district and charter school):

\$1,500,000
x 15%

Maximum amount available to provide CEIS

\$ 225,000

Note: The amount of funds expended by a local educational agency for Coordinated Early Intervening Services shall count toward the maximum amount of expenditures the local educational agency may reduce from local funds under 34 CFR §300.205(a).

LEA opts-in to provide Coordinated Early Intervening Services

2016-17 LEA IDEA–B §611 Subgrant/Allocation:	\$1,500,000
2015-16 LEA IDEA–B §611 Subgrant/Allocation:	-\$1,000,000
Subgrant/Allocation Increase:	\$500,000
<u>x 50%</u>	
Maximum LEA 50 Percent MOE Reduction Amount (See 34 CFR §300.205(a)):	\$250,000
Maximum LEA Coordinated Early Intervening Amount:	
Total Allocation <u>x 15%</u>	-\$225,000
Net LEA 50 Percent MOE Reduction Amount:	\$25,000

(Amount must be used to carry out activities authorized under the ESSA Act)

4. Children with Disabilities Unilaterally Enrolled in Private Schools By Their Parents--Equitable Participation

- a. Each IU must conduct a thorough and complete child find process to determine the number of parentally-placed children with disabilities attending private schools located in the IU region (Examples: surveys of private schools, input from local school districts, information from providers of Act 89 services, etc.). This child find process shall be designed to ensure the equitable participation of parentally-placed private school children with disabilities and an accurate count of such children.

- b. Using the information in item “a.”, each IU must complete the proportionate calculation of federal funds as required in the grant application.
- c. The IU must ensure timely and meaningful consultation with private school representatives and representatives of parents of parentally-placed private school children with disabilities during the design and development of special education and related services for the children. This consultation must include information regarding the following:
 - Child find process and how parentally-placed private school children with disabilities can participate equitably. How parents, teachers and private school officials will be informed of the process.
 - Determination of the proportionate amount of federal funds and how the amount was calculated.
 - Consultation among the private school officials and representatives of parents of parentally-placed private school children with disabilities including how the process will operate throughout the school year.
 - Discuss how, where and by whom special education and related services will be provided for parentally-placed private school children with disabilities including a discussion of types of services, including direct services and alternate service delivery mechanisms, how services will be apportioned if funds are insufficient to serve all children and how and why these decisions will be made.
 - If an IU disagrees with the views of the private school officials on the provision of services or the types of services, the IU shall provide to the private school officials a written explanation of the reasons why the IU chose not to provide services directly or through contract.
 - When timely and meaningful consultation has occurred, the IU shall obtain a written affirmation signed by the representatives of participating private schools and this affirmation must be submitted via hard copy with its IDEA-B grant application. If such representatives of participating private schools do not provide such affirmation within a reasonable period of time, the IU shall forward the documentation of its attempts to complete the consultation process with their application.
 - Inform the private school officials of the option to file a complaint at both the state and federal level.
- d. **If an IU-LEA has not expended for equitable services those funds allocated in item “b.” above by the end of the fiscal year for which Congress appropriated the funds, the LEA must obligate the remaining funds for special education and related services (including direct services) to parentally-placed private school children with disabilities for a carry-over period of one additional year. [See 34 CFR §300.133(a)(3)]**

NOTE: State and local funds may supplement and in no case supplant the proportionate amount of federal funds required to be expended. [See 34 CFR §300.133(d)]

- e. Proportionate Share Calculation for Parentally-Placed Private School Children with Disabilities [34 CFR 300.133(a)] states that each LEA must spend the following on providing special education and related services (including direct services) to parentally-placed private school children with disabilities:

For children aged 3 through 21, an amount that is the same proportion of the LEA's total subgrant under Section 611(f) of the IDEA of 2004 as the number of private school children with disabilities aged 3 through 21 residing in its jurisdiction is to the total number of children with disabilities in its jurisdiction age 3 through 21.

The following is an example of how the proportionate share is calculated:

Number of eligible children in public schools =	300
Number of eligible children parentally-placed in private schools =	<u>20</u>
Total number of eligible children residing in the jurisdiction of the LEA =	320

The number of children served was: 300 public school children + 5 private school children = 305.

While only 5 of the 20 eligible private school children were actually served and included in the December 1st child count, it is the 20 eligible children that are used in the formula to determine the proportionate share due parentally-placed private school children with disabilities.

Using this formula:

Example: Based on federal flow-through funds allocated to LEA* = \$152,500

*(In Pennsylvania the IU is the LEA)

There are 20 eligible parentally-placed private school children within a total number of 320 eligible public and private school children. The number of eligible parentally-placed private school children (20) divided by the total number of eligible public and private school children (320) indicates that 6.25 percent of the LEA's subgrant, or \$9,531.25, must be spent for the group of parentally-placed children residing in the LEA and placed by their parents in private schools:

Number of eligible children in public schools =	300
Number of eligible children parentally placed in private schools =	<u>20</u>
Total number of eligible children residing in the jurisdiction of the LEA =	320
Number of eligible children parentally placed in private school =	20
divided by:	
Total number of eligible children residing in the jurisdiction of the LEA =	320
equals	0.0625*
	multiplied by
LEA funding allocation	\$152,500.00
	equals
Proportionate Share Amount:	\$9,531.25

Calculate the proportionate share amount using the total of the Dec. 1, 2015, child count, the number of parentally-placed private school children with disabilities and the LEA allocation that is located on the first line of the Funding Distribution Worksheet.

*Please use four decimal places to calculate the proportionate share amount.

5. Adjustment to Local Fiscal Effort in Certain Fiscal Years

The 50 Percent MOE Reduction Under 34 CFR §300.205

For any fiscal year for which the funding allocation received by a local educational agency exceeds the amount the local educational received for the previous fiscal year, the local educational agency may reduce the level of expenditures from local funds by not more than 50 percent of the amount of the increase.

If a local educational agency exercises the authority under 34 CFR§ 300.205 to reduce its level of expenditures from local funds, the local education agency shall use an amount of local funds equal to the reduction in expenditure to carry out activities authorized under the Every Student Succeeds Act (ESSA).

The “supplement and not supplant” and “maintenance of effort” requirements do not apply with respect to the amount that may be reduced from local funds.

Note: The amount of funds expended by a local educational agency under 34 CFR §300.226 for Coordinated Early Intervening Services shall count toward the maximum amount of expenditures the local educational agency may reduce from local funds. (See 34 CFR §300.205)

Note: “If an SEA has identified the LEA as having significant disproportionality under 34 CFR 300.646, the LEA will not be able to reduce local MOE under the IDEA of 2004, Section 613(a)(2)(c).”

Note: An LEA must receive a determination under the IDEA of 2004, Section 616 of “Meets Requirements” from the SEA in order to take advantage of the 50 percent MOE option.

How it Works:

The Maintenance of Effort and Coordinated Early Intervening Services examples below are as shown in Appendix D to Part 300 of the IDEA of 2004:

Example 1: In this example, the amount that is 15 percent of the LEA’s total grant, which is the maximum amount that the LEA may use for coordinated early intervening services (CEIS), is greater than the amount that may be used for local maintenance of effort (MOE) reduction (50 percent of the increase in the LEA’s grant from the prior year’s grant).

Maintenance of Effort and Coordinated Early Intervening Services

2016-17 Allocation:	\$1,000,000
2015-16 Allocation:	\$900,000
Increase:	\$100,000
Maximum Available for MOE Reduction:	\$50,000
Maximum Available for CEIS:	\$150,000

If the LEA chooses to set aside \$150,000 for CEIS, it may not reduce its MOE (MOE maximum \$50,000 less \$150,000 for CEIS means \$0 can be used for MOE).

If the LEA chooses to set aside \$100,000 for CEIS, it may not reduce its MOE (MOE maximum \$50,000 less \$100,000 for CEIS means \$0 can be used for MOE).

If the LEA chooses to set aside \$50,000 for CEIS, it may not reduce its MOE (MOE maximum \$50,000 less \$50,000 for CEIS means \$0 can be used for MOE).

If the LEA chooses to set aside \$30,000 for CEIS, it may reduce its MOE by \$20,000 (MOE maximum \$50,000 less \$30,000 for CEIS means \$20,000 can be used for MOE).

If the LEA chooses to set aside \$0 for CEIS, it may reduce its MOE by \$50,000 (MOE maximum \$50,000 less \$0 for CEIS means \$50,000 can be used for MOE).

or

Example 2: In this example, the amount that is 15 percent of the LEA's total grant, which is the maximum amount that the LEA may use for CEIS, is less than the amount that may be used for MOE reduction (50 percent of the increase in the LEA's grant from the prior year's grant).

Maintenance of Effort and Coordinated Early Intervening Services

2016-17 Allocation:	\$2,000,000
2015-16 Allocation:	\$1,000,000
Increase:	\$1,000,000
Maximum Available for MOE Reduction:	\$500,000
Maximum Available for CEIS:	\$300,000

If the LEA chooses to use no funds for MOE, it may set aside \$300,000 for CEIS (CEIS maximum \$300,000 less \$0 means \$300,000 for CEIS).

If the LEA chooses to use \$100,000 for MOE, it may set aside \$200,000 for CEIS (CEIS maximum \$300,000 less \$100,000 means \$200,000 for CEIS).

If the LEA chooses to use \$150,000 for MOE, it may set aside \$150,000 for CEIS (CEIS maximum \$300,000 less \$150,000 means \$150,000 for CEIS).

If the LEA chooses to use \$300,000 for MOE, it may not set aside anything for CEIS (CEIS maximum \$300,000 less \$300,000 means \$0 for CEIS).

If the LEA chooses to use \$500,000 for MOE, it may not set aside anything for CEIS (CEIS maximum \$300,000 less \$500,000 means \$0 for CEIS).

Using the 50 Percent Amount

The LEA shall use an amount of local funds equal to the reduction in MOE expenditure to carry out activities authorized under the ESSA.

E. Allowable/Unallowable Costs

1. Costs that are allowed can include, but may not be limited to, the following (however, every effort must be made to allocate ACCESS reimbursable costs to state or local funding whenever possible):
 - Extended school year (ESY) programs including ESY transportation and ESY for students with disabilities placed out of state through the Special Education Plan Revision Process (SEPRN)
 - Supplemental education costs to support the implementation of the Cordero court decision
 - Training programs for parents, teachers and professionals/paraprofessionals who work with students with disabilities
 - Occupational and physical therapy
 - Hearing impaired services
 - Vision impaired services
 - Physically impaired services
 - Audiology
 - Assistive technology specialist
 - Orientation and mobility specialists
 - Psychiatrists (MD certified for SED)
 - Adaptive physical education
 - Work experience coordinator and job coaches
 - Speech therapy
 - Special education teachers
 - Clerical staff directly working with allowable professional staff
 - Teacher's aides
 - Bus aides
 - Assistive devices
 - Psychological services
 - Social worker
 - IEP specified nursing functions
 - Program monitoring and evaluation
 - Coordinated Early Intervening Services (optional -- available to school districts and public charter schools)

2. Costs that are not allowed can include, but may not be limited to, the following:
 - Any expenditure made before the beginning date or after the ending date of an approved project
 - School transportation (except for field trips, ESY transportation, etc.)
 - Operational costs for school owned property (rent, heat, telephones)
 - School administrators
 - Construction
 - Business costs
 - Membership in organizations for individuals

- Travel expenses (except for project paid staff or attendance at project paid activities)
- Food, beverages or snacks (there is a high burden of proof that paying for food, beverages or snacks with federal funds is necessary to meet the goals and objectives of a federal grant)
- Rental costs for IU programs housed in school district operated buildings
- Costs related to legal counsel and/or attorney fees

F. Component 2 - Support Services (Training and Consultation and Interagency Implementation)

IDEA requires continued training and consultation to assure that all personnel necessary to carry out the purposes of the IDEA of 2004 are appropriately and adequately prepared.

The training and consultation plan is required to be submitted annually as a part of the IU Special Education Plan Process. All information and documentation regarding personnel development is reflected in both the IU Special Education Plan and the IDEA-B Section 611 Program Narrative submitted on the eGrants application system.

Funds should be budgeted in this component to support the staff necessary to assure that the integrated approach of personnel development will be adequately implemented and that training and technical assistance will be appropriately provided to school districts and public charter schools (FTE requirements and funding utilization are addressed in Section C, above).

G. Component 3 – School Age Supplementary Aides and Services

Funds under this component may be used to supplement the provision of special educational and related services for eligible school aged children including extended school year (ESY) services. The services and programs necessary to meet the complex needs of students with more significant disabilities, including those students transitioning to least restrictive environments, can be enhanced by the use of these funds. Services to be provided via Component 3 are identified in Section E, above (Allowable/Unallowable Costs).

H. Final Narrative Reports For 2016-17

All projects are required to submit a final narrative report within 60 days of the last day of the project year. Final Narratives will be submitted via PDE’s eGrants system. The information required will be similar to the information required for the Special Education Plan. The final report will identify, statistically, what has actually been implemented as compared to what was planned.

Information regarding Program Narrative Report completion may be referred to:

Dr. Ron Wells
 Bureau of Special Education
 717-783-6882
ronwells@pa.gov

II. Overview of the Grant Agreement Documents

The grantee will adhere to all federal and state regulations and guidelines relating to the program funded under the Grant Agreement which constitute the conditions upon which these program funds are allocated. The Program Guidelines issued by the Pennsylvania Department of Education's (PDE) Bureau of Special Education (BSE) are hereby incorporated by reference and made a part of the Agreement, and all the terms, conditions and provisions of the Program Guidelines will apply to the Agreement.

Grant Agreement System The Grant Agreement System includes the following elements:

- PDE Master Standard Terms and Conditions
- Individual Grant Agreements, for each grant program
- Special Program Terms (Appendix A)
- Grantee's Program Narrative and Summary Budget (Appendix B)
- Payment Terms, Responsibilities and Contact Information (Appendix C)
- Reconciliation of Cash on Hand Quarterly Report
- Final Expenditure Report for Federal/State Program Funds
- Agreement Numbering Format/Agreement Tracking System
- Standard Payment System

III. Administrative Guidelines

All grant/project applications include Grant Agreements. The date that the Grant Agreement is received by PDE determines the actual starting date for the grant/project. Federal regulations prohibit obligation or expenditure of funds prior to the beginning date of the grant/project.

Grantees that submit timely, substantially approved applications shall have a 27-month period during which they may obligate the funds under the Agreement (July 1, 2016 – Sept. 30, 2018). Accordingly, the grantee is authorized to expend funds in 15 months (July 1, 2016 – Sept. 30, 2017) to cover the cost of the program provided under the Grant Agreement. Any additional carryover funds will be extended an additional 12 months (October 1, 2017 – Sept. 30, 2018) upon approval by PDE. These funds must be obligated prior Sept. 30, 2018. Any carryover funds not so obligated must be returned to PDE within 60 days of the termination of the Grant Agreement.

The IDEA-B LEA Grant Agreement Program Application includes the following items:

A. Grant Agreement

"Grant Agreement for Individuals with Disabilities Education Act of 2004 - Part B, P.L. 108-446, 118 Stat. 2647, Program Application of a LEA, 20 U.S.C. §§1411 - 1419" appropriately completed, and either e-signed or manually signed by the chief school administrator or authorized representative of the LEA.

B. Special Program Terms (Appendix A)

C. Grantee's Program Narrative and Summary Budget (Appendix B)

An "IDEA-B P.L. 108-446 Grant Agreement Program Narrative and Summary Budget" completed in accordance with the 2016-17 Program Narrative, Administrative and Fiscal Guidelines. The Grant Agreement Program Narrative and Summary Budget is incorporated into the Grant Agreement as Appendix B.

D. Payment Terms, Responsibilities and Contact Information (Appendix C)

E. Other Required Information

1. Notice of Adoption of Policies, Procedures and Use of Funds By School Districts **(Attachment A - Revised 3/2013)** from **each school district** in the applicant intermediate unit's geographical area -- Attachments must be signed by the school district superintendent, scanned and uploaded alphabetically into PDE's eGrants website. Attachments with original signatures must be retained by the LEA for audit purposes.
2. Notice of Adoption of Policies, Procedures and Use of Funds By Charter Schools **(Attachment B - Revised 3/2013)** from **each charter school with eligible students with disabilities** in the applicant intermediate unit's geographical area -- Attachments must be signed by the charter school officer, scanned and uploaded alphabetically into PDE's eGrants website. Attachments with original signatures must be retained by the LEA for audit purposes.
3. Federal Funding Accountability and Transparency Act Sub-recipient Data Sheet -- Refer to Section 32 of PDE's Master Standard Terms and Conditions located on PDE's website at www.education.state.pa.us/mstc.
4. Supplementary Expenditure Detail

Grantees must complete the Grant Agreement application online at PDE's eGrants website at <http://www.egrants.pa.gov/>. If you require technical assistance with the eGrants website, you may contact the help desk at 717-783-6686.

Completed Grant Agreement applications must be submitted via PDE's eGrants website on or before July 1, 2016. Hard copies of e-signed LEA grant application documents do not have to be mailed to PDE. Manually-signed LEA application documents can be scanned as an attachment via electronic mail (email) to Lisa Wolfe at liwolfe@pa.gov or uploaded via PDE's eGrants website.

IV. Fiscal Guidelines

A. Payments

After the Grant Agreement is approved, payments are initiated in the Financial Accounting Information (FAI) system. The approved funding allocation is divided into equal monthly payments based on the duration of the project. The payment is sent to the grantee each month for the duration of the project.

A monthly payment detail report is available in the FAI web system. Grantees must establish security clearance through PDE's website before accessing the FAI web system. If you need assistance accessing PDE's website and/or the FAI web system, contact the help desk at 717-783-6686.

Note:

The project payment system does not process an automatic monthly payment once the project end date has passed. Projects with payments remaining in their schedule will not automatically receive a monthly payment in the next cycle if the end date has passed. For example, a project ending September 30 with one monthly payment remaining in the schedule will not receive an automated monthly payment in October. Outstanding project balances will be processed for payment based on an approved Final Expenditure Report. Project grantees are advised to submit their Final Expenditure Report in a timely manner.

B. Reconciliation of Cash On Hand Quarterly Report

The purpose of this report is to ascertain that the scheduled payments are adequate to cover the monthly cash needs of the grantee without allowing substantial cash reserves to accumulate at the local level. Grantees can also use the report to alert the Office of Comptroller Operations about any extraordinary cash needs it may have in any month of the quarter for which the report is being filed.

1. Filing Requirements

All grant recipients are required to submit their quarterly reports electronically using the FAI system. A Reconciliation of Cash On Hand Quarterly Report is to be electronically submitted to the Office of Comptroller Operations, Federal Accounting Division, on or before the 10th working day of the month after the quarter ends (October, January, April and July). Electronic reports are considered delinquent if submitted after the 10th working day. The Office of Comptroller Operations' work calendar is used to determine the 10th working day of the month. Paper copies of the Reconciliation of Cash On Hand Quarterly Report are not accepted, processed or returned.

If the quarterly cash report is not received by the 10th working day, the Grant Agreement payment(s) will be suspended until such time as the report is received and processed for payments. Quarterly reports are required only after funds have been received. For example, funds received in January require a quarterly report submission on or before the 10th working day in April. Also, a quarterly report is not required for Grant Agreements having received all of their scheduled monthly payments and/or for the final fiscal quarter of the Grant Agreement.

2. Excess Cash

A cash surplus exists when a quarterly cash report shows cash on hand that exceeds one monthly payment by one dollar. If the surplus cannot be satisfactorily explained or justified, future payment(s) will be suspended until the excess cash is used. The Office of Comptroller Operations will make the final determination as to whether or not the extraordinary cash needs are properly explained and justified. Extraordinary Cash Needs are defined as cash requirements that are materially more than the regularly scheduled monthly payment(s).

3. Cash Deficit

A cash deficit exists when a quarterly cash report shows cash on hand that is less than zero. A cash deficit greater than 50 percent of the scheduled monthly payment will initiate accelerated payment(s) to compensate for the cash deficit. A Grant Agreement experiencing a cash deficit may also have extraordinary cash needs. In this situation, extraordinary cash needs that are properly explained and justified may result in additional accelerated payments. The Office of Comptroller Operations will make the final determination as to whether or not the extraordinary cash needs are properly explained and justified.

Questions regarding FAI payments and/or quarterly reports should be sent to the Comptroller's office email resource account at ra-faiecs@pa.gov.

C. Budget Revisions and Funding Adjustments

1. Budget Revision

A budget revision is a change to the program budget that does not increase or decrease the grant (budget) amount within the terms of the Grant Agreement. The purpose of a budget revision is to transfer funds from cost functions or object codes to other cost functions or object codes.

A project budget revision is required when:

- There is a variance in any major category of expenditure that exceeds 10 percent of the category amount in the approved budget, and that variance exceeds \$10,000; or
- A transfer of funds is to be made to a previously unbudgeted category.

A major category of expenditure, for purposes of these project grants, is considered to be a Cost Function Total or a Major Object Code Total. To determine if a budget revision is needed, check the Summary Budget. If a row or column total will exceed 10 percent of the approved Summary Budget row or column totals, and the amount of the variance will exceed \$10,000, then a budget revision is necessary.

2. Funding Increase

PDE shall notify the grantee in writing of any funding increases under the Agreement. Upon receipt of the written notice, the grantee shall revise and submit a revised Program Summary Budget and if necessary, any revised pages of the Narrative which shall reflect the increase of funds. Funding increases will take effect upon the commonwealth's receipt and approval of the revised documents, which shall be incorporated in and made part of the Agreement.

3. Funding Decrease

PDE shall notify the grantee in writing of any funding decreases under the Agreement. Upon receipt of the written notice, the grantee shall revise and submit a revised Program Summary Budget and if necessary, any revised pages of the Narrative which shall reflect the decrease of funds. Funding decreases will take effect upon the commonwealth's receipt and approval of the revised documents, which shall be incorporated in and made part of the Agreement.

4. Due Dates

- a. Funding adjustment documents involving a funding increase/decrease shall be due on the date specified at the time of PDE's written notification of a funding adjustment.
- b. All 2016-17 budget revisions are due on or before May 1, 2017.

The budget revision/funding adjustment documents must be completed and submitted to PDE's eGrants website at <http://www.egrants.pa.gov/>.

D. Final Expenditure Report

The Final Expenditure Report is a report of the actual project expenditures. The Final Expenditure Report (FER) and Final Program Narrative and Summary Budget must be completed and submitted no later than Dec. 1, 2017, on PDE's eGrants website at <http://www.egrants.pa.gov/>.

FERs must be either e-signed or manually signed by the chief school administrator or authorized representative of the LEA. Hard copies of e-signed FERs do not have to be mailed to PDE. Manually-signed FERs can be scanned as an attachment via electronic mail (email) to Lisa Wolfe at liwolfe@pa.gov or uploaded via PDE's eGrants website.

If circumstances will prevent the grantee from completing the report within 60 calendar days, a written request for an extension may be made. The written request must include the reason the extension is needed and must be received prior to the 60 day due date.

The Final Expenditure Report provides a section for computing the reconciliation of project funding received from the commonwealth with project expenditures. If a refund is due to the commonwealth, a refund check should be attached to the Final Expenditure Report. If a final payment is due to the grantee, the payment is processed by the Office of Comptroller Operations after they receive the approved Final Expenditure Report from PDE.

Actual expenditures that were not approved in the project application budget or budget revision may be disallowed. Additionally, actual expenditures in any major category of expenditure that exceed 10 percent of the category amount in the approved budget and the amount of variance exceeds \$10,000, without prior approval, may also be disallowed. Variances of this nature should be fully explained.

E. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards - 2 CFR Part 200

The specific policies for federal programs administered and funded by the U.S. Department of Education are promulgated in 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. The Cash Management Act of 1990 governs interest earned on federal funds.

1. Administrative Requirements

- a. Payment - 2 CFR §200.305
 - 1) Grantees must maintain advance payments of federal awards in interest-bearing accounts unless the following apply [see 2 CFR §200.305(b)(8)]:

- i. The grantee receives less than \$120,000 in federal awards per year.
 - ii. The best reasonably available interest-bearing account would not be expected to earn interest in excess of \$500 per year on federal cash balances.
- 2) Grantees can retain interest earned on advance payments up to \$500 per year for administrative expenses. Interest in excess of \$500 must be remitted annually to the Department of Health and Human Services Payment Management System (PMS) using either Automated Clearing House (ACH) network or Fedwire Funds Service payment [see 2 CFR §200.305(b)(9)]. The remittance must be submitted as follows:

i. For ACH Returns:

Routing Number: 051036706

Account Number: 303000

Bank Name and Location: Credit Gateway-ACH Receiver
St. Paul, MN

ii. For Fedwire Returns*:

Routing Number: 021030004

Account Number: 75010501

Bank Name and Location: Federal Reserve Bank Treas NYC/Funds
Transfer Division
New York, NY

*Please note that the grantee may incur a charge by their financial institution for Fedwire payments.

- iii. For grantees who don't have electronic remittance capability, a check should be made payable to "The Department of Health and Human Services." The check must be mailed to:

HHS Program Support Center
P.O. Box 530231
Atlanta, GA 30353-0231

Additional information/instructions may be found on the PMS website at <http://www.dpm.psc.gov/>.

b. Equipment

Equipment, as defined in 2 CFR §200.33, is tangible personal property (including information technology systems) having a useful life of more than one year and an acquisition cost which equals or exceeds \$5,000 per-unit.

The use, management, and disposition of equipment shall be in accordance with 2 CFR §200.313.

2. Cost Principles – Compensation-personal services 2 CFR §200.430

- a. Charges for salaries and wages must be based on records (time and effort) that accurately reflect the work performed [see 2 CFR §200.430(i)(1)]. These records must:
 - 1) be supported by a system of internal control to insure that the charges are accurate, allowable, and properly allocated;
 - 2) be incorporated into the official records of the grantee;
 - 3) reasonably reflect the total activity for which the employee is compensated by the grantee, not to exceed 100 percent;
 - 4) cover both federal and non-federal activities;
 - 5) comply with established accounting policies and practices; and
 - 6) support distribution of employee's salary or wages among specific activities or cost objectives.
- b. The following supporting documentation is required to accurately reflect the work performed:
 - 1) Where employees are expected to work solely on a single federal award or cost objective, charges for their salaries and wages will be supported by semi-annual certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared semi-annually and will be signed by the employee or supervisory official having first-hand knowledge of the work performed by the employee.
 - 2) Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which reflects an after-the-fact distribution of the actual activity of each employee, accounts for the total activity for which the employee is compensated, is prepared at least monthly and coincides with one or more pay periods, and is signed by the employee.

3. Audit Requirements

The grantee must comply with all federal and state audit requirements including: the Single Audit Act Amendments of 1996; Office of Management and Budget (OMB) Uniform Guidance 2 CFR Part 200; and any other applicable law or regulation and any amendment to such other applicable law or regulation that may be enacted or promulgated by the federal government.

A grantee that expends total federal awards of \$750,000 or more during its fiscal year must have a single or program-specific audit conducted in accordance with the provisions of 2 CFR §200.501.

If the grantee expends total federal awards of less than \$750,000, it is exempt from federal audit requirements for that year, but records must be available for review or audit by appropriate officials (or designees) of the federal agency, pass-through entity, and Government Accountability Office (GAO).

For additional audit requirements information, please refer to PDE's Master Standard Terms and Conditions at www.education.state.pa.us/mstc. Technical assistance regarding an entity's specific audit requirements may be obtained from the Commonwealth of Pennsylvania, Office of the Budget, Bureau of Audits at 717-783-9120.

Questions about the guidelines or the grant agreement application may be referred to:

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