

Contingency Fund Guidelines

August 2023



**COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF EDUCATION**

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REGULATORY AUTHORITY

The Secretary of Education under 24 P.S. §25-2509.8 was given the authority to establish guidelines for the application, approval, distribution, and expenditure of funds for extraordinary special education program expenses, also known as Special Education Contingency Funds. The fund's purpose is to provide additional state funding for the implementation of the Individualized Education Program (IEP) for a student with significant disabilities. A contingency fund application may be submitted by a school district, or charter school, to partially meet the extraordinary educational needs of an individual child with significant disabilities, who requires a highly specialized program, or related services, in order to receive an appropriate education in the least restrictive environment.

The 2023-2024 state special education appropriation makes the total appropriation available for distribution as contingency funds for extraordinary expenses. The Department of Education considers the following to constitute extraordinary expenses:

Expenses that result from needs and circumstances of a student with significant disabilities, which are not ordinarily present in a typical special education service and program delivery system, and which expenses exceed the school district or charter school funding.

The total eligible expenses must be equal to or greater than \$75,000.

Applicants should not request contingency funds to augment typical special education services or presuppose the availability of contingency funds in their special education operating budget. Contingency fund applications may include expenses for assistive technology for an individual child.

The following information outlines the process to be followed for application and distribution of Special Education Contingency Funds.

APPLICATION INFORMATION

Applications will be accepted electronically starting on November 20, 2023 and will be accepted until January 31, 2024. Faxes will not be accepted. Paper application forms will not be accepted. Applications received after January 31, 2024 will not be considered.

One electronic application is needed for each student for whom contingency funds are requested.

Applicants must use the 2023-2024 web-based application form, which is located at the following link: <https://www.pdeims.com/>

The student's IEP in place at the time services were provided must be submitted with an application. IEPs are to be submitted electronically to Leader Services. No information is to be transmitted directly to the Bureau of Special Education, unless requested during the review process.

Contracted services through intermediate units, private schools, consortia programs, or other contractors, must be itemized by individual service. The Bureau of Special Education will accept a tuition statement for individual student services. The statement must clearly indicate that the contracted services are educational only.

Each application must include the following information:

1. Student's disability
2. Student's educational placement (includes Learning Support, Emotional Support, Multiple Disabilities Support, etc.)
3. Student's IEP
4. A specific explanation of the extraordinary circumstances
5. A brief, narrative background of each eligible student

For students in programs operated by the requesting LEA, the LEA must itemize special education service and program expenses for each student in the 2022-2023 year for whom an application is being submitted.

The following represents an example of itemized expenses:

Special Education Teacher Salary and Benefits - \$97,475	
Prorated by teacher caseload of 7	\$13,925
Paraprofessional salary and benefits (one-to-one assignment)	\$47,500
Occupational Therapy (60hrs. x \$75 per hr.)	\$4,500
Physical Therapy (30 hrs. x \$100 per hr.).....	\$3,000
Speech & Language Therapy (42 hrs. x \$80 per hour)	\$3,360
Vision Support.....	\$19,500
TOTAL	\$91,785
Minus State Subsidy	\$9,000
Total Eligible Expenses	\$82,785

*Multiply by Market Value/Personal Income Aid Ratio if Total Eligible Expenses are greater than or equal to \$75,000 and less than or equal to \$100,000

RESTRICTIONS ON FUNDING

Expenses not eligible for reimbursement, but included in itemized requests, will not be considered. Please do not include the following:

1. Funds requested to augment typical special education services, such as non-specific curriculum materials and non-specific technology purchases, such as classroom computers.
2. Expenses attributable to services for which the school is already receiving state reimbursement. This includes students in Approved Private Schools (APS) or in approved Out-of-State Placements. However, if a school district is paying 100% of an educational fee to an APS, this expense is eligible for contingency funds. Or, if an LEA has 40% of its basic education funding withheld as a result of a 4010 approved student, the 40% is eligible.
3. Administrative expenses such as principal's office expenses, legal fees, secretarial support, rent, building expenses, copying fees, etc.
4. Prorated expenses of regular education teacher time during mainstreaming or inclusion.
5. Non-specific building aides, playground aides, or bus aides.
6. Non-extraordinary nursing or counseling services.
7. English as a Second Language instruction.
8. Extended School Year.
9. Residential expenses of private school placements.
10. Compensatory education expenses.

REVIEW OF APPLICATIONS

Applications with Total Eligible Expenses of \$75,000 or more will be reviewed based on the unique needs of each child, with priority given to those students with the most significant needs and with the greatest financial impact on the LEA. Therefore, not all eligible applications will receive funding.

Expenses will be considered as long as they meet the following conditions:

1. The expenses are substantially different from those provided to students without disabilities. For example, interventions under this definition include, but are not limited to assistive technology services, Braille services, oral/sign language, interpreting services, real-time captioning services, orientation and mobility services, and consultation with experts in the student's disability program area.
2. The expenses that result from the development of a broader range of services and programs for a student with disabilities enable the school to deliver these services and programs as described in 22 Pa Code §14.131(1).

3. The specific staffing expenses result from the establishment of a fully integrated or inclusive service delivery setting for a student with disabilities.

Upon review of a school district or charter school application, any ineligible expenses that are included in the total eligible expenses will be deducted from the total. This net result is further reduced by the state subsidy for school district and charter schools, and it is also affected by the school district's or charter school's market value/personal income aid ratio, as specified in 24 P.S. §25.2509.8.

Funds will be disbursed in the May 2024 Unipay.

All contingency fund payments are subject to the availability of funds and post audit. The Department of Education reserves the right to conduct a post audit at any time to substantiate the school's expenditures and to verify the individual student claimed for contingency fund payments.

References

22 Pa Code §14.131
24 P.S. §25-2509.8

Contact Information

For questions regarding contingency funds please contact:
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Frequently Asked Questions

- 1. When prorating the special education teacher's salary and benefits, should actual or district average figures be used?**

The actual teacher's salary and benefit expenses, incurred during 2022-2023, should be used to determine, as accurately as possible, the costs of providing services to a specific student.

- 2. What figure is used to prorate the teacher's salary and benefits?**

The number of students on the special education teacher's caseload on or around December 1 the previous school year. This total amount should be divided by the number of students on the teacher's class list to determine the prorated, itemized total.

- 3. May the cost of an instructional assistant assigned to the special education class, but not to the individual child, be included in the request?**

If an instructional assistant is assigned to the class, and included in the district's special education plan, the prorated cost of salary and benefits may be calculated. Prorated calculations must clearly be shown on the application form.

- 4. If a one-to-one aide (personal care assistant) is included in an IEP, is the full cost allowable on the application?**

Yes, if this need is clearly indicated on the IEP. The IEP must indicate that the individual is assigned full-time to the student. An IEP notation stipulating a student needs one to one assistance is not sufficient by itself to support this claim.

- 5. If the district pays tuition to another provider, such as an intermediate unit, must the expenses be itemized?**

No. The bureau will accept individual tuition statements.

6. Can the expenses of staff development, related to a specific student, be calculated for contingency funds?

Yes, if the staff development is specific to the student, and documented in the IEP.

7. How is a contingency fund application approved and funded?

Applications will be reviewed beginning with the highest eligible expenses and continue until the total contingency fund is expended. Not all eligible applications will be funded.

8. What items are most frequently disallowed when applications are reviewed?

- Generalized administrative expenses
- Legal expenses
- Extended school year expenses
- Curriculum materials
- Classroom equipment
- Residential expenses

9. What are some common errors that delay the processing of the request?

- An IEP submitted for the wrong student.
- Submitting a current IEP instead of the 2022-2023 IEP.
- The inability to contact the individual listed on the electronic application.

10. Can contingency funds be requested for nontraditional educational therapies such as music therapy or play therapy?

Each request is reviewed on an individual basis. Therefore, if therapy is documented on the IEP and properly itemized, it may be approved. Establishing a need, listing the service, and itemizing the service expenses are key to receiving approval. In general, the reviewers of the application will defer to the expertise of the IEP team.

11. Is there any purpose in submitting contingency fund applications for students who, after deductions (state subsidy/aid ratio), do not meet the threshold of \$75,000?

No. According to 24 P.S. §25-2509.8, applications below \$75,000 will not be considered.

12. What transportation expenses are eligible?

Extraordinary transportation expenses are eligible. Examples include a wheelchair bus, van, or transportation established in direct response to the severe health needs of the individual child.

13. How does the aid ratio affect the application?

If total eligible expenses on the application after state subsidy are greater than or equal to

\$75,000 and less than or equal to \$100,000, the expenses are multiplied by market value/personal income aid ratio. For example, if the total expense after the state subsidy is \$78,000 and the aid ratio is 0.06, the total eligible expense on the application would now be \$73,320 and would not be considered.

14. Is the amount put into the Leader system the final amount that is considered?

According to 24 P.S. §25.2509.8, an application's total expenses are reduced by the state subsidy for school district and charter schools, and it is also affected by the school district's or charter school's market value/personal income aid ratio if less than \$100,000. That gives the total eligible expenses for award consideration.

15. The deadline passed. Is it possible to still submit?

No, the Leader system closes on January 5, 2024 and cannot be reopened. Applications will start to be reviewed at that time.

16. Do I have to complete the application all at once?

No, the IMS system has a save button so the user can go in and work at different times. However, the application is not considered by BSE unless it is fully submitted prior to the deadline.