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

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

2020-2021 Program Narrative, Administrative and Fiscal Guidelines

May 2020

COMMONWEALTH OF PENNSYLVANIA
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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 2020-2021 Grant Agreement Program Narrative and Application should be read carefully.

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:

Dr. Del Hart
Bureau of Special Education
717-772-1114
dehart@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, 2020, in PDE's eGrants website at http://www.egrants.pa.gov/.

Beginning in the 2014-15 fiscal year, PDE permits electronic signatures (e-Signatures) on the Program Narrative and all other LEA application documents. The use of e-Signatures is completely voluntary under law. 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, 2020, in PDE's eGrants website at http://www.egrants.pa.gov/. If technical assistance is required with the eGrants website, contact the help desk at ra-egrantshelp@pa.gov, 717-783-1087.

Hard copies of e-signed Program Narratives and LEA application documents should not be mailed to PDE. Manually-signed LEA application documents should be scanned as an attachment via email to Rome Oliver at romoliver@pa.gov.

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 the 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 that must be spent on the education of children with disabilities based on a combination of enrollments in the elementary schools and secondary schools**.** Excess costs must be computed annually using the preceding school year data.

First the LEA must determine the total amount of its expenditures for elementary school students from all sources – local, state, and federal (including Part B) – in the preceding school year. Only capital outlay and debt services are excluded.

The following example shows how to compute the minimum average amount an LEA must spend for the education of each of its elementary school students with disabilities before it may use funds under Part B of the Act.

From state and local tax funds	$6,500,000
From federal funds	$600,000
Total expenditures	$7,100,000
Less capital outlay and debt service	-$60,000
Total expenditures for elementary school students	$7,040,000

Next, the LEA must subtract from the total expenditure amounts spent for:

a. IDEA, Part B allocation

b. ESEA, Title I, Part A allocation

c. ESEA, Title III, Parts A and B allocation

d. State and local funds for children with disabilities

e. State or local funds for programs under ESEA, Title I, Part A, and Title III, Parts A and B

These are funds that the LEA actually spent, not funds received last year but carried over for the current school year.

Example: The LEA spent the following amounts for elementary school students last year:

From funds under IDEA, Part B allocation	$200,000

From funds under ESEA, Title I, Part A allocation	$250,000
From funds under ESEA, Title III, Parts A and B allocation	$ 50,000
From state and local funds for children with disabilities	$500,000
From state and local funds for programs under ESEA, Title I, Part A, and Title III, Parts A and B	$150,000
Total other deductions	$1,150,000
Total expenditures less capital outlay and debt	$7,040,000
Other deductions	-$1,150,000
Total adjusted expenditures	$5,890,000

In the example above, the LEA had an average elementary school enrollment for the preceding school year of 800 (including 100 children with disabilities). The amount obtained through this computation is the minimum amount the LEA must spend (on the average) for the education of each of its elementary school children with disabilities. Funds under Part B of the Act may be used only for costs over and above this minimum.

Total adjusted expenditures	$5,890,000
divided by	
Average number of students enrolled	800
equals	
Average annual per student expenditure	$7,362

Except as otherwise provided, the LEA must multiply the number of elementary school children with disabilities, times the average annual per student expenditure.

Average annual per student expenditures	$7,362
Number of children with disabilities in the LEA's elementary schools	x 100
Total minimum amount of funds the LEA must spend for the education of children with disabilities enrolled in the LEA's elementary schools before using Part B funds	$736,200

The LEA will need to calculate the same for secondary school children (grades 7-12).

C. Distribution of IDEA Funds

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

1. For the 2020-21 school year, LEAs that receive Section 611 regional funding allocation of $6 million or more, shall utilize eight percent of the 2020-21 regional funding allocation for Component 2, Training and Consultation (TaC). 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. Component 2 amounts will continue to be based on the number of FTE positions approved by PDE.

2. Component 2 funds must be utilized to support a minimum of 5.0 Full-Time Equivalent (FTE) positions for TaC. Stipulations for four of the positions/FTEs are found below. The extra (or fifth position) must be assigned to TaC positions related to the listed initiatives or designated ESSA special education subgroup activities. This discretion provides the IU with flexibility in assignment and allocation of time to meet local needs.

   The following minimum FTEs are required for each of the six specific training initiatives:

   - Multi-tiered Systems of Support (MTSS)-Academics – 1.0 FTE
   - MTSS-Behavior/Interagency Transition – 0.5 FTE
   - Least Restrictive Environment (LRE)/Inclusive Practices – 0.5 FTE
   - Autism – 0.5 FTE
   - Assistive Technology – 0.5 FTE
   - Transition – 1.0 FTE
   - Flex position for above TaC Initiatives – 1.0

   The MTSS Academic position and Secondary Transition position must have at least one individual at 0.5 FTE. Other individuals in these initiatives may have FTEs of 0.2 or more. Any TaC position may never be less than 0.2 FTE.

   The 5th FTE position may be split and assigned to any category in the table. This provides flexibility for an IU to add to areas where there are local needs that are a component of the TaC initiatives listed.

   Within the identified initiatives, TaC staff also support the following, as applicable:

   - SPDG related activities
   - Comprehensive Support and Improvement (CSI), Additional Targeted Support and Improvement (A-TSI), Targeted Support and Improvement (TSI) to improve teaching and learning for the special education student group in designated schools

3. The funding distribution chart will continue to be used in 2020-21. 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, 2019, 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 needs as long as the entities receiving such services agree to this action 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.

4. 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) (March 2020) and Public Charter Schools (Attachment B) (March 2020) 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 its 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 two-year period. Note: This reporting is required in June 2020 for LEAs implementing coordinated early intervening services during the 2017-18 school year; June 2021 for LEAs implementing coordinated early intervening services during the 2018-19 school year; and June 2022 for LEAs implementing coordinated early intervening services during the 2019-20 school year.

c. Coordination with the Elementary and Secondary Education Act (ESEA) of 1965, and No Child Left Behind (NCLB)

   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 ESEA, as long as the IDEA-B funds are used to supplement and not supplant funds available under ESEA. (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)]

How It Works:

Calculating the 15 Percent Amount

2020-21 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 an LEA for Coordinated Early Intervening Services shall count toward the maximum amount of expenditures the LEA may reduce from local funds under 34 CFR §300.205(a).

LEA opts-in to provide Coordinated Early Intervening Services

2020-21 LEA IDEA–B §611 Subgrant/Allocation:	$1,500,000
2019-20 LEA IDEA–B §611 Subgrant/Allocation:	-$1,000,000
Subgrant/Allocation Increase:	$500,000
x 50%	
Maximum LEA 50 Percent MOE Reduction Amount [See 34 CFR §300.205(a)]:	250,000
Maximum LEA Coordinated Early Intervening Amount: Total Allocation **x** 15%	-$225,000
Net LEA 50 Percent MOE Reduction Amount:	$25,000

(Amount must be used to carry out activities authorized under ESEA)

4. Significant Disproportionality

The December 2016 amendments to the Individuals with Disabilities Education Act (IDEA) require each state to develop a standard methodology to identify local educational agencies (LEAs) with significant disproportionality and ensure that children with disabilities are properly identified for services, receive necessary services in the least restrictive environment, and are not disproportionately removed from their educational placements by disciplinary removals.

IDEA section 618(d) requires States to collect and examine data to determine if Significant Disproportionality based on race and ethnicity is occurring in the State and the local educational agencies (LEAs) of the State with respect to:

a. the identification of children as children with disabilities, including the identification of children as children with disabilities in accordance with a particular impairment;

b. the placement in particular educational settings of such children; and

c. the incidence, duration, and type of disciplinary actions, including suspensions and expulsions.

When an LEA is flagged for Significant Disproportionality in one or more of the analyzed categories, the LEA must review its policies, practices, and procedures to ensure compliance with the requirements of IDEA. The LEA must publicly report any revision to their policies, practices, and procedures that are a result of this review. The LEA is also required to reserve 15% of its IDEA Part B 611 and 619 allocations to be used for Comprehensive Coordinated Early Intervening Services (CCEIS). These CCEIS funds should be used to address factors contributing to the Significant Disproportionality.
An LEA may use the funds reserved for CCEIS to serve children from age 3 through grade 12, particularly (but not exclusively) children in groups that were significantly over-identified. The LEA should use the CCEIS funds to identify and address factors contributing to the significant disproportionality in the identified category. An LEA may not limit CCEIS only to children with disabilities.

Example: An LEA which is flagged for significant disproportionality in 2018-19, will be notified by PDE in 2019-20, and will reserve 15% of its IDEA-B funding, for CCEIS activities, in 2020-21.

Questions regarding Significant Disproportionality should be sent to the Bureau of Special Education email resource account at RA-EDSigDisPro@pa.gov**.**

5. 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 the manner in which parentally placed private school children with disabilities are able to participate equitably. Parents, teachers and private school officials will be informed of the process.
- Determination of the proportionate amount of federal funds and the calculation formula.
- Consultation among the private school officials and representatives of parents of parentally placed private school children with disabilities including the manner in which the process will operate throughout the school year.
- Discuss special education and related services that 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, Also, the manner in which services will be apportioned if funds are insufficient to serve all children. Lastly, explain the rationale for these decisions.
- 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 their 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 their 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 those funds allocated for equitable services 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, to 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 aged 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 =	20
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 five 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 to parentally-placed private school children with disabilities.

Using this formula**:**

Example: Based on federal pass-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 =	20
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, 2019, 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.

6. 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 an LEA exceeds the amount the LEA received for the previous fiscal year, the LEA may reduce the level of expenditures from local funds by not more than 50 percent of the amount of the increase.

If an LEA exercises the authority under 34 CFR§ 300.205 to reduce its level of expenditures from local funds, the LEA shall use an amount of local funds equal to the reduction in expenditure to carry out activities authorized under ESEA.

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 an LEA under 34 CFR §300.226 for Coordinated Early Intervening Services shall count toward the maximum amount of expenditures the LEA 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**.**

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

2020-21 Allocation:	$1,000,000
2019-20 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

2020-21 Allocation:	$2,000,000
2019-20 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 ESEA.

E. Allowable/Unallowable Costs

Costs must be: necessary, reasonable, allocable, and documented.

Guiding questions:

- Is the cost reasonable and necessary for the program?
- Do sound business practices support the expenditure?
- Does the expense support the purpose of the grant?
- Is the expense in compliance with laws, regulations, and grant terms?
- Is the price comparable to that of similar goods or services in the geographic area?
- Is the purchase for excess cost of educating students with disabilities?

For a particular cost to be allowed, it must be an excess cost of providing special education and related services for IDEA Part B.

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 or Paraprofessional personnel
- 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)

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, are able to 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. 2020-2021 Final Narrative Reports

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 website at http://www.egrants.pa.gov/. The information required will be similar to the information required for the Special Education Plan. The final report will identify, statistically, the project initiatives that were implemented, as compared to initiatives that were planned.

Information regarding Program Narrative Report completion may be referred to:

Dr. Del Hart
Bureau of Special Education
717-772-1114
dehart@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
- 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 Program Funds

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, 2020 – Sept. 30, 2022). Accordingly, the grantee is authorized to expend funds in 15 months (July 1,

2020 – Sept. 30, 2021) 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, 2021 – Sept. 30, 2022) upon approval by PDE. These funds must be obligated prior to Sept. 30, 2022. 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 an 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 2019-20 Program Narrative, Administrative and Fiscal Guidelines. The Grant Agreement Program Narrative and Budget is incorporated into the Grant Agreement as Appendix B.

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

E. Funding Accountability and Transparency Act Sub-recipient Data Sheet

The Funding Accountability and Transparency Act Sub-recipient Data Sheet is located in the eGrants application system at http://www.egrants.pa.gov/. The grant application cannot be submitted if all the required fields on the Funding Accountability and Transparency Act Sub-recipient Data Sheet are not completed.

F. Other Required Information

1. Notice of Adoption of Policies, Procedures and Use of Funds By School Districts (Attachment A - Revised March 2019) 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 March 2019) 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 official, scanned and uploaded alphabetically into PDE's eGrants website. Attachments with original signatures must be retained by the LEA for audit purposes.

Grantees must complete the Grant Agreement application online at PDE's eGrants website at http://www.egrants.pa.gov/. If technical assistance is required, contact the help desk at ra-egrantshelp@pa.gov, 717-783-1087.

Completed Grant Agreement applications must be submitted via PDE's eGrants website on or before July 1, 2020. Hard copies of e-signed LEA grant application documents should not be mailed to PDE. Manually-signed LEA application documents should be scanned as an attachment via email to Rome Oliver at romoliver@pa.gov.

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 assistance is required, in order to access PDE's website and/or the FAI web system, contact the help desk at ra-egrantshelp@pa.gov, 717-783-1087.

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 may 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 2020-21 budget revisions are due on or before May 1, 2021.

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

D. Final Expenditure Report

The Final Expenditure Report (FER) is a report of the actual project expenditures. The FER and Final Program Narrative and Summary Budget must be completed and submitted no later than Nov. 30, 2021, in 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 should not be

mailed to PDE. Manually-signed FERs should be scanned as an attachment via electronic mail (email) to Rome Oliver at romoliver@pa.gov.

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 FER 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 FER. If a final payment is due to the grantee, the payment is processed by the Office of Comptroller Operations after they receive the approved FER 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.

iii. The depository would require an average or minimum balance so high that it would not be feasible within the expected Federal and non-Federal cash resources.

iv. A foreign government or banking system prohibits or precludes interest bearing accounts.

2) Grantees may 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 979132
St. Louis, MO 63197

Additional information/instructions may be found on the PMS website at https://pms.psc.gov/.

b. Methods of Procurement for Federal Funds – 2 CFR §200.320

One of the following methods of procurement must be used to acquire supplies/goods or services:

1) Micro-purchases procurement – Procurement by micro-purchase is the acquisition of supplies or services where the aggregate amount of the procurement does not exceed $10,000. Micro-purchases may be awarded without soliciting competitive quotations if the price is reasonable.

2) Small purchase procurement procedures – Small purchase procurements are those relatively simple and informal procurement methods for securing services or goods/supplies that do not exceed the Simplified Acquisition Threshold (currently, $250,000). For these purchases, written or documented price or rate quotations must be obtained from an adequate number of qualified sources (at least three). The following are the thresholds for small purchase procurements:

i. Goods/supplies: > $10,000 but < $20,100

ii. Services: > $10,000 but ≤ $250,000

3) Procurement by sealed bids (formal advertising) – Bids are publicly solicited and a firm fixed contract is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest price. The following are the thresholds for sealed bid procurements:

   i. Goods/supplies: $20,100 or more

   ii. Services: $250,000 or more

4) Procurement by competitive proposals – Competitive proposals for services are conducted with more than one source submitting an offer, and either a fixed price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids.

5) Procurement by non-competitive proposals – Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:

   i. The goods/supplies or services are available only from a single source (sole source);

   ii. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;

   iii. The awarding federal agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-federal entity; or

   iv. After solicitation of a number of sources, competition is determined inadequate.

For additional procurement standards, see 2 CFR §§ 200.317- 200.326 at https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl.

c. 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 as amended; 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.pa.gov/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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