



MSP Fact Sheet
MSP- IDEA Use of Funds Guidance
7/23/2009

Districts who are now MSP providers can apply for reimbursement of services as outlined in the MSP rules 5101:3-35-05 and 5101:3-35-06. IDEA Part B funds are not reimbursable with Medicaid.

If a district has used IDEA Part B funds for these MSP allowable services they can replace these expenditures with Local and/or state (this increases the districts local MOE) and/ Medicaid funds.

If a district has used Local/State funds to pay for other services which they would now like to cover with Part B funds they can replace these expenditures with IDEA Part B (within the allowable 50% replacement cost provision).

If an LEA maintains or exceeds its MOE for special education and related services from year to year, then the Part B funds are in fact supplementing those local or state and local expenditures and the LEA has met its MOE and supplement/not supplant requirements.

Example:

<u>Fiscal Year</u>	<u>Expenditure</u>
2009	PT &OT (A) - paid from IDEA funds
2010	PT &OT (A) - paid from GRF funds <div style="border: 1px solid black; padding: 5px; display: inline-block; margin-left: 20px;">This increases the districts MOE.</div>

If district wants to then cover the cost of a teacher with IDEA who had been paid with GRF this is only allowable if the district uses the allowable 50% replacement cost. This flexibility is available under IDEA section 613(a)(2)(C) (34 CFR §300.205) to reduce its MOE in the current fiscal year

The formula for this allowable replacement is as follows:

Districts FY10 IDEA allocation \$100 and FY10 IDEA ARRA allocation \$200 = \$300
 FY09 IDEA allocation = \$100
 $\$300 - \$100 = \$200$
 $\$200 * 50\% = \100
 District can use up to \$100 to replace state and local funds.

MSP Fact Sheet
MSP- IDEA Use of Funds Guidance
7/23/2009

If a district wants to use title 6B funds for anything which has been previously paid with GRF they have to follow the provision as established in IDEA for the allowable 50% replacement.

If a district wants to add to what they are paying out of GRF and increase the GRF amount they can do this keeping in mind this increases their Maintenance of Effort (MOE) for the following years.

Allowable Replacement of Local Funds with IDEA funds

Section 613 of IDEA 2004 is very specific with regard to IDEA Part B funds supplementing not supplanting (SNS) state and local special education funding and the district's maintenance of effort (MOE) requirement. However, it should be noted that IDEA 2004 provides for an allowable replacement of local funds.

Districts *may* use up to 50 percent of the special education Part B IDEA funds and Part B ARRA funds received in excess of the amount received for the prior year to replace local education funds as long as the local funds are then used for activities authorized by ESEA.

Additional Provisions:

- Under IDEA 616(f), if an SEA determines that an LEA is not meeting the requirements of Part B, including meeting targets in the state's performance plan, the SEA *must* prohibit that LEA from reducing its MOE under IDEA section 613(a)(2)(C) for any fiscal year;
- An LEA must receive a determination under Section 616 of "Meets Requirements" from the state in order to take advantage of this flexibility; and
- An LEA that is required to use 15 percent of its IDEA Part B allocation on Coordinated Early Intervening Services (CEIS) because the SEA identified the LEA as having significant disproportionality under 34 CFR 300.646 will not be able to reduce local MOE under IDEA.
- **Please note that this allowance pertains ONLY to Part B funds and does not include to ECSE funds.**
- **Please note: Funds used to provide early intervening services under section 613(f)(1)-5) count towards the maximum amount of local expenditures that a district may reduce.**

Shortcut to state IDEA guidance:

<https://ccip.ode.state.oh.us/DocumentLibrary/ViewDocument.aspx?DocumentKey=1037->