IDEA Allocation Procedural Change

A Revised Sub-recipient Distribution Process for
Districts in Special Education Cooperatives

February 2019
Webinar Format

• Webinar library - viewers can watch this webinar in its entirety or view sections

• Full screen view recommended
**Acronyms and Terms**

- **AFR** – Annual Financial Report
- **eGMS** – electronic grant management system
- **FRIS** – Financial Reimbursement Information System
- **GATA** – Grant Accountability and Transparency Act
- **IWAS** – ISBE Web Application Security
- **MTDC** – Modified Total Direct Cost
- **Flow-through entity** – Entity that receives federal awards and “flows” those funds to grant sub-recipients.
- **SEA** – State education agency
- **Sub-recipient** - non-Federal entity that expends federal awards received from a pass-through entity to carry out a Federal program
Agenda

• IDEA Allocations to Sub-recipients
• General Information
• Continuing Procedures
• Articles of Joint Agreement
• Single Audit Requirements
• Federal TRS
• Contractual and Intergovernmental Agreements
• IDEA Budgets
• IDEA MOE
• Expenditure Reports
• Carryover Funds
• Periodic Performance Reports
IDEA Grant Allocations to Sub-recipients
IDEA Grant Allocations to Sub-recipients - 1

The IDEA provides supplemental funds for the excess cost of educating students with disabilities.

• The federal funds support local district efforts in providing a free appropriate public education to students with disabilities.

• Each district’s student population and poverty rate determines its federal IDEA allocation, in accordance with the federal formula.
IDEA Grant Allocations to Sub-recipients - 2

1. IDEA grant awards are generated by district populations.

2. The federal government sends the IDEA grants to state education agencies (SEAs), including ISBE.

3. The SEAs calculate each district’s IDEA allocation and send or “flow” the funds through to sub-recipients.
   - Historically ISBE allocated the IDEA funds to sub-recipients: independent districts, state-charters, and special education cooperatives.
   - Illinois special education cooperatives further sub-granted the federal funds to member districts.

The federal Office of Special Education Programs (OSEP) has stated that the further sub-granting of federal sub-recipient funds is prohibited.
Subrecipient

• Receives the subaward for carrying a portion of the federal award
  • creates a federal assistance relationship
  • Has its performance measured to whether the objectives of the Federal Program are met
  • Has responsibility for programmatic decision making
  • Is responsible for adherence to Federal program requirements
  • Uses Federal funds to carry out the program purpose
No Sub-granting of Sub-recipient Funds

• Initial OSEP letter to Minnesota Department of Education prohibiting further sub-granting of federal awards, i.e. February 4, 2009 Letter to Hokenson.
  • Special education cooperative can be IDEA sub-recipients, however, that moves the responsibility of FAPE, and accompanying activities, from the school district to the cooperative.

• September 2016, OSEP onsite sub-recipient monitoring of Illinois. During the onsite visit the Illinois IDEA allocation process was addressed and OSEP indicated that the 2009 Hokenson letter applies to all states.
  • ISBE sought written clarification from OSEP
  • OSEP’s letter of response stated that the Hokenson letter applies to all states
Compliance and Procedural Change

The Illinois State Board of Education announced a procedural change on July 31, 2018 in how it will distribute IDEA funds to member districts of special education cooperatives.

- Member school districts will receive IDEA flow-through and preschool funds directly, in order for the allocation to most closely follow the child.

- This change also will bring Illinois into compliance with federal guidance.

- The change begins at the start of fiscal year 2020, on July 1, 2019, unless the cooperative applies for the available 12-month extension. The deadline to apply for the one-year extension is March 31, 2019.
Question:
Will the procedural change have any impact on stand-alone districts and state-charter schools which are members in special education cooperatives?

Answer:
The procedural change won’t affect their allocation structure, as the stand-alone districts and state-charter schools are already direct IDEA sub-recipients. However, those entities will reap a few benefits from the procedural change.
• Combined FY20 IDEA flow-through and preschool grant application
• Combined FY20 IDEA flow-through and preschool periodic performance reports
FY20 IDEA Allocation Procedural Change

July 1, 2019 - IDEA funds allocated to the member districts. All districts must have an IDEA grant.

Cooperatives may request an extension to FY21, in which case, IDEA funds will be allocated to member districts July 1, 2020. Requests for extension are due to ISBE by March 31, 2019.
Implementing the Procedural Change

All special education cooperatives must complete and submit the IDEA Procedural Change Acknowledgment and Extension Application form in IWAS.

• The completed acknowledgement and application forms are due to ISBE by March 31, 2019.

• ISBE will implement the standard July 1, 2019 procedural change for any cooperatives that fail to submit the acknowledgement and application form by March 31, 2019.
Acknowledgement and Extension Form – Question 1

Question:
Who should complete the acknowledgement and extension form?

Answer:
One cooperative representative, generally the state-approved director, must complete and submit the acknowledgement and extension form.

Member districts will NOT complete the acknowledgement and extension form.
IDEA Procedural Change Acknowledgment and Extension Application form

The acknowledgement and application form is now available in the ISBE Web Application Security (IWAS) system for Administrators.

Cooperative staff other than administrators may access the system through these steps:
1. Log into IWAS
2. Select System Listing
3. Click on Want to Signup for Other Systems?
4. Select IDEA Procedural Change (located under Reports)
5. Receive IWAS approval and complete/submit the form
My Systems

Below are systems that you are either authorized to use or are awaiting authorization from either your district (Pending-District), ROE (Pending-ROE) or ISBE (Pending-ISBE). Once you are "Authorized" to access a system, simply click on the system description to use it.

### Categories - Click to Expand/Collapse Tree

<table>
<thead>
<tr>
<th>Category</th>
<th>Authorization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reporting</td>
<td></td>
</tr>
<tr>
<td>Annual</td>
<td></td>
</tr>
<tr>
<td>IDEA Procedural Change</td>
<td>Authorized</td>
</tr>
</tbody>
</table>

**Legend:**
- 📝: System Description - Detailed
- 📅: Due Dates
- 🧑: Profile

Want to Signup for Other Systems?
IDEA Procedural Change Acknowledgment and Extension Application


This form must be completed by each Illinois Special Education Cooperative

**General Instructions:** Please indicate yes or no to the question in this acknowledgement/extension request form. The form is due to ISBE by **March 31, 2019.** ISBE will implement the standard July 1, 2019 procedural change for any cooperatives that fail to submit the acknowledgement and application form by March 31, 2019.

**Board Minutes** – Any cooperative seeking an extension to FY21 must include a copy of the board minutes that address the requested extension. The uploaded document must be in a PDF format.

**IDEA Carryover Funds** - The procedural change will include a distribution of IDEA carryover funds to member districts of cooperatives.

- Cooperatives implementing the standard procedural change in FY20 may provide a breakdown of carryover for each district by percentage in this form OR in conjunction with the final FY19 IDEA flow-through and preschool expenditure reports.
- Cooperatives implementing the procedural change in FY21 will receive instructions at a later date regarding the distribution of FY20 IDEA carryover funds.

**The IDEA Procedural Change is effective June 30, 2019. Is your cooperative requesting an extension through June 30, 2020?**

- Yes
- No

**Standard July 1, 2019 Procedural Change – Select “No” extension**

**Extension to July 1, 2020 – Select “Yes”**
Acknowledgment and Extension Application form – FY20 Implementation

Cooperatives implementing the standard FY20 procedural change must complete the IDEA Procedural Change Acknowledgment and Extension Application form in IWAS.

• Include the percent of FY19 carryover funds that will be due to each district in FY20

OR

• Note that the carryover information will be completed with the final FY19 expenditure report.

When the final FY19 expenditure reports are submitted for IDEA flow-through and preschool grants, any carryover computed will be split to the member districts based on the data provided to ISBE.
Cooperatives implementing the standard procedural change in FY20 may provide a breakdown of carryover for each district by percentage in this form or in conjunction with the final FY19 IDEA flow-through and preschool expenditure reports.

Cooperatives implementing the procedural change in FY21 will receive instructions at a later date regarding the distribution of FY20 IDEA carryover funds.

The IDEA Procedural Change is effective June 30, 2019. Is your cooperative requesting an extension through June 30, 2020?  

- Yes  
- No

We are unable to provide each district’s carryover percentage at this time. We will provide that information with the final FY19 expenditure report.

OR

Please list the agreed percent of any unobligated FY19 carryover that are due to each member district.

<table>
<thead>
<tr>
<th>Cooperative Name</th>
<th>District Name</th>
<th>District RCDTS</th>
<th>Carryover Preschool %</th>
<th>Carryover Part B Flow-through %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spec Educ Coop</td>
<td></td>
<td>04026</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Cooperatives implementing the standard July 1, 2019 procedural change will:
1. Enter the carryover percentages for each member district

OR

2. Check the box indicating the percentages aren’t yet known and the cooperative will provide the carryover information with the final FY19 expenditure report.
The IDEA Procedural Change is effective June 30, 2019. Is your cooperative requesting an extension through June 30, 2020?

☐ Yes  ☑ No

We are unable to provide each district’s carryover percentage at this time. We will provide that information with the final FY19 expenditure report.  

OR

Please list the agreed percent of any unobligated FY19 carryover that are due to each member district.

<table>
<thead>
<tr>
<th>Cooperative Name</th>
<th>District Name</th>
<th>District RCDTS</th>
<th>Carryover Preschool %</th>
<th>Carryover Part B Flow-through %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special Ed Coop</td>
<td>1022</td>
<td></td>
<td>20</td>
<td>[100]</td>
</tr>
<tr>
<td>Special Ed Coop</td>
<td>1026</td>
<td></td>
<td>10</td>
<td>[100]</td>
</tr>
<tr>
<td>Special Ed Coop</td>
<td>026</td>
<td></td>
<td>15</td>
<td>[100]</td>
</tr>
<tr>
<td>Special Ed Coop</td>
<td>3026</td>
<td></td>
<td>25</td>
<td>[100]</td>
</tr>
<tr>
<td>Special Ed Coop</td>
<td>51</td>
<td></td>
<td>30</td>
<td>[100]</td>
</tr>
</tbody>
</table>

- Enter the percent of FY19 IDEA preschool carryover funds for each member district.
- Enter the percent of FY19 IDEA preschool carryover funds for each member district.

The total for each column must equal 100%.
When submitting carryover data, the column totals must equal 100% or the system will generate an error code.
Acknowledgment and Extension Application form – FY21 Implementation

Cooperatives requesting an extension to FY21 must complete the IDEA Procedural Change Acknowledgment and Extension Application form in IWAS.

• Upload a PDF version of the board meeting minutes that document the cooperative decision to seek an extension.

• Cooperatives implementing the procedural change in FY21 will receive instructions at a later date regarding the distribution of FY20 IDEA carryover funds.

When the final FY20 expenditure reports are submitted for IDEA flow-through and preschool grants, any carryover computed will be split to the member districts based on data provided to ISBE.
Acknowledgement and Extension Form – Question 2

Question:
Why are board minutes required when requesting an extension?

Answer:
The implementation date for the procedural change will affect every member district in the cooperative. The cooperative board minutes will verify that the issue was discussed and approved.
This form must be completed by each Illinois Special Education Cooperative.

**General Instructions:** Please indicate yes or no to the question in this acknowledgement/extension request form. The form is due to ISBE by **March 31, 2019**. ISBE will implement the standard July 1, 2019 procedural change for any cooperatives that fail to submit the acknowledgement and application form by March 31, 2019.

**Board Minutes** – Any cooperative seeking an extension to FY21 must include a copy of the board minutes that address the requested extension. The uploaded document must be in a PDF format.

**IDEA Carryover Funds** - The procedural change will include a distribution of IDEA carryover funds to member districts of cooperatives.

- Cooperatives implementing the standard procedural change in FY20 may provide a breakdown of carryover for each district by percentage in this form OR in conjunction with the final FY19 IDEA flow-through and preschool expenditure reports.
- Cooperatives implementing the procedural change in FY21 will receive instructions at a later date regarding the distribution of FY20 IDEA carryover funds.

**The IDEA Procedural Change is effective June 30, 2019. Is your cooperative requesting an extension through June 30, 2020?**

An extension to the IDEA Procedural Change will impact all member districts. Please upload your **board minutes** in PDF format indicating that your Cooperative Board has approved this request for extension.

Cooperatives requesting an extension must upload board minutes.
- Minutes must verify Cooperative Board approval of the request for an extension.
- The system requires a PDF format.
Users will receive a message when submitting the acknowledgement and extension form.

Questions should be directed to the Special Education Services, IDEA Grant Coordinators.
IDEA Procedural Change

Application


This form must be completed by each Illinois Special Education Cooperative.

**General Instructions:** Please indicate yes or no to the question in this acknowledgement/extension request form. The form is due to ISBE by **March 31, 2019.** ISBE will implement the standard July 1, 2019 procedural change for any cooperatives that fail to submit the acknowledgement and application form by March 31, 2019.

**Board Minutes** – Any cooperative seeking an extension to FY21 must include a copy of the board minutes that address the requested extension. The uploaded document must be in a PDF format.

**IDEA Carryover Funds** - The procedural change will include a distribution of IDEA carryover funds to member districts of cooperatives.

  • Cooperatives implementing the standard procedural change in FY20 may provide a breakdown of carryover for each district by percentage in this form OR in conjunction with the final FY19 IDEA flow-through and preschool expenditure reports.
  • Cooperatives implementing the procedural change in FY21 will receive instructions at a later date regarding the distribution of FY20 IDEA carryover funds.

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Your Cooperative has successfully responded to the IDEA Procedural Change Acknowledgment and Extension Application. If you need additional support, please contact ISBE at 271-782-5589. Your Cooperative’s extension has been submitted.

The system generates a message when the acknowledgement and extension form is submitted successfully.
IDEA Allocation Procedural Change

General Information
General Information – Cooperative Functions

The FY20 procedural change is specific to the flow of federal funds.

• Cooperatives will provide special education services, professional development, and administrative services to member districts.

• Cooperatives should continue to provide guidance on the IDEA grant process and track district status of timely & meaningful consultation, proportionate share, IDEA MOE, excess cost, audit responses, periodic performance reports, and State Performance Plan (SPP) Indicators.
General Information – ISBE Notifications

Upon implementation of the procedural change:

- IWAS IDEA grant notices will go directly to districts.
- Most other ISBE correspondence should remain the same, i.e.: directors’ listserv announcements, MOE worksheet distribution, LEA determination letters, single audits, etc.
General Information - Payment Schedules
Cooperatives rely on IDEA expenditure reimbursement to cover part of their operating expenses. As the IDEA reimbursement moves from cooperatives to districts, it is imperative to have processes in place that ensure continuation of services for districts/students and avoid funding shortages for cooperatives.

• Clear lines of communication between cooperatives and districts.

• The frequency of the payments, e.g. monthly, quarterly, etc. is a local decision made by each cooperative and its member districts.

• IDEA grant start dates impact the reimbursement process - secure July 1 start dates.

• Resolve IDEA MOE issues prior to July 1 to avoid delays in grant approval.
Question:
Is this a change to the amount of IDEA funds that each district is allocated?

Answer:
In general, no. The calculation for each district's federal IDEA flow-through and preschool grant allocations is not changing.
• ISBE will continue to calculate and post the allocations for each district on the Funding and Disbursements webpage.
• High school districts that are members of special education cooperatives may see what appears to be a reduction in funds since preschool allocations will not be made to high school districts.
General Question - 2

Question:
Does this mean every district must employ a state-approved director of special education?

Answer:
No. Local school districts may continue to utilize cooperatives, including the provision of a state-approved director.

• The state-approved director will continue to function as the representative for the member districts of the cooperative.

• Special Education Services will continue to send member district IDEA grant single audit findings, annual MOE worksheets, and carbon-copy LEA determination letters, etc. to the cooperative state-approved directors.

• The procedural change does not alleviate district responsibilities to providing free, appropriate public education (FAPE) and offer comprehensive programs of special education services.

• The procedural change does not eliminate the cooperative’s supporting role in FAPE and the continuum of special education and related services.
Question:
May cooperatives still hold timely and meaningful consultation meetings for the member districts?

Answer:
Yes. Cooperatives can still have the same involvement in the TMC process and can still continue to provide proportionate share services.
Continuing Procedures

• IDEA application
• Expenditure Reports
• Excess Cost
• MOE
• Proportionate Share
• CEIS
## Procedural Allocation Change and IDEA Grants

<table>
<thead>
<tr>
<th></th>
<th>No Change</th>
<th>Changes</th>
</tr>
</thead>
</table>
| **IDEA Allocation**  | Federal formula and calculation  
• Not an increase or decrease in the allocations  
• IDEA allocations posted on the Funding and Disbursements webpage                                                                                           | Funds sent directly to districts that generate the funds                                                                                                                                         |
| **IDEA Application** | Regulatory Requirements  
• Grant timelines  
• Allowable cost  
• Prohibited costs  
• Supplemental funds                                                                                                                                            | • All districts will complete an application  
• Cooperatives will not complete applications  
• One application for Flow Through and Preschool  
• Eliminate the Amendment page  
• Districts must complete the FFATA page, MOE pages, and GATA pages  
• Member district carryover amounts will appear in their grants                                                                                                 |
| **Expenditure Reports** | Standard format and ISBE submission & reimbursement process                                                                                                                                                 | All districts will submit IDEA expenditure reports directly to ISBE for direct reimbursement                                                                                                           |
## Procedural Allocation Change and IDEA Grants

<table>
<thead>
<tr>
<th></th>
<th>No Change</th>
<th>Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Excess Cost</strong></td>
<td>Federal requirements and associated process &amp; procedures</td>
<td>No changes anticipated</td>
</tr>
</tbody>
</table>
| **MOE**                  | Federal requirements and associated process & procedures                  | • Cooperative MOE obligation will cease two years after implementation of procedural change  
                           |                                                                          | • All MOE issues must be resolved prior to grant approval               |
| **Nonpublic Prop. Share**| Federal requirements and associated process & procedures                  | As all districts will have an IDEA application, all districts will complete the proportionate share page of the application |
| **CEIS**                 | Federal requirements and associated process & procedures                  | As all districts will have an IDEA application, all districts will complete the CEIS page of the application |
Question:
What changes will the IDEA allocation procedural change bring to the FY20 IDEA grant application?

Answer:
Cooperatives implementing the standard FY20 procedural change will not have IDEA applications. The member districts of those cooperatives will complete one IDEA grant application. Overall, the grant application will look the same, however:

• The flow-through and preschool grants will be in one combined application.
• Districts will complete the FFATA, MOE, and GATA pages.
Continuing Procedures - Question 2

Question:
Some cooperative member districts have never had an IDEA grant or IDEA expenditure reports. How will they complete those processes?

Answer:
The IDEA grant application in IWAS is similar to other ISBE grant applications. Member districts will be familiar with the basic format. The IDEA grant webpage includes resource documents and a webinar library specific to IDEA grants.

The expenditure report process is the same for all grant. Member districts will be familiar with the process. The Division of Funding and Disbursements also provides online technical assistance documents for expenditure reports.
Articles of Joint Agreement

The Illinois School Code [105 ILCS 5/10-22.31] allows school districts to form special education special education joint agreements, or cooperatives, to share resources in providing services to students with disabilities.

This intergovernmental agreement between a cooperative and member districts is referred to as the Articles of Joint Agreement.
Articles of Joint Agreement
Minimal Requirements

• Administration, including a state-approved director,
• Staff,
• Programs,
• Financing,
• Housing,
• Transportation,
• An advisory body,
• The method(s) to be employed for disposing of property upon withdrawal of a school district or dissolution of the joint agreement, and
• Procedures for the withdrawal of districts from the joint agreement.
Question:
Does the FY20 IDEA allocation procedural change require all cooperatives to amend their Articles of Joint Agreement

Answer:
No. Amendments are only required if the cooperative must change or add fiscal provisions specific to the purchased services. Each cooperative should review its Articles and determine if an amendment is required.
Article of Joint Agreement – Question 2

Question:
Does an amendment to the Articles of Joint Agreement necessitate an extension for the FY20 IDEA allocation procedural change?

Answer:
No. ISBE can move forward with the procedural change, even if a cooperative is finalizing its amendment process. Any cooperatives that are amending their Articles of Joint Agreement and anticipate the process will go beyond June 30, 2019 should provide the Special Education Services Division with a summary of their status and include a completion timeline.
Articles of Joint Agreement - Resources


Single Audits in Brief

Single audits are completed by an external auditor in accordance with 2 CFR 200.514

- Time frame – a fiscal year
- Financial statement – in accordance with the generally accepted accounting principles and the schedule of expenditures of federal awards
- Internal control – over federal programs
- Compliance – with federal statutes, regulations, and the terms and conditions of the grant
Single Audits (cont.)

• Auditors review findings, questioned costs and recommendations with districts

• Districts provide corrective action plans (letterhead required)

• Districts must enter the audit information in electronic form via Single Audit Status Certification in ISBE Web Application Security System (IWAS)
Single Audits – Question 1

Question:
Will the FY20 IDEA allocation procedural change affect the Single Audit status for any district?

Answer:
A status change is unlikely but possible based on whether the change results in a district expenditure of more or less federal funds under the procedural change.
Single Audits – Question 2

Question:
Will the FY20 IDEA allocation procedural change affect the Single Audit status for any special education cooperatives?

Answer:
Yes. Since federal funds flowing to coops will be contractual rather than granted, in all likelihood coops will no longer qualify for single audit.
Single Audits – Question 3

Question:
How can an entity check on whether it is subject to a Single Audit, i.e. received $750,000 or more in federal awards in a fiscal year?

Answer:
The ISBE Single Audit webpage includes instructions for completing a Financial Reimbursement Information System (FRIS) inquiry.
Question:
What involvement will cooperatives have in member district single audit findings?

Answer:
Cooperative involvement will remain the same.
• Special Education Services will continue to send member district single audit findings to state-approved directors of special education.
• The cooperatives will coordinate with the member districts and provide a response for each single audit finding.
Single Audit Resources

2 CFR 200(200.501-200.520)
http://www.ecfr.gov/cgi-bin/text-idx?SID=f78ca517cbdc4066710db781d40998e&mc=true&node=pt2.1200&rgn=div5

ISBE Single Audit webpage
https://www.isbe.net/Pages/Single-Audit.aspx

Audit Report Review Manual
Federal TRS
(40 ILSC 5/16-158(c))

If members are paid from special trust or federal funds which are administered by the employing unit, whether school district or other unit, the employing unit shall make payment to TRS.
Federal TRS Rate and IDEA Grants

The federal TRS rate will continue to apply to any positions that are paid in full or part with federal IDEA funds.

• TRS positions included in the IDEA grant are subject to the federal rate, in addition to the standard TRS rate.

• TRS positions paid through contractual IDEA funded agreements are subject to the federal rate, in addition to the standard TRS rate.
Federal TRS Question

Question:
When a cooperative employee in a TRS position is paid with federal funds, which entity (cooperative or member district) is responsible for the federal TRS cost?

Answer:
As the employing entity, the cooperative is responsible for submitting the federal TRS payment. However, as in prior years, that cost can be calculated in the member district payment for the service(s).
TRS Resources


40 ILCS 5/16-158
Contracts

and

Intergovernmental Agreements
Procurement and Bidding for Contracts

Per 2 CFR 200.318 contractual agreements are subject to procurement regulations for each allowable method of procurement.

• Districts must use their documented procurement procedures which reflect applicable regulations, provided that the procurements conform to applicable Federal law and the standards of 200.318.

• 2 CFR 200 (200.318 – 200.326) and Appendix II to Part 200
https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl.
Intergovernmental Agreements

2 CFR 200.318(e) encourages the non-Federal entity to enter into state and local intergovernmental agreements (IGAs) or inter-entity agreements where appropriate for procurement or use of common or shared goods and services.

Articles of Joint Agreements are also intergovernmental agreements.
IGA - Question 1

Question:
Can Articles of Joint Agreement also meet the requirement for an intergovernmental agreement for member district services purchased from cooperatives?

Answer:
Yes. Articles of Joint Agreement are intergovernmental agreements and can include the agreed upon process for member districts to purchase shared services from cooperatives.

Intergovernmental agreements may also be a separate documents that specify the terms of agreement for shared services.
<table>
<thead>
<tr>
<th>Option 1 – No IGA</th>
<th>Cooperatives and member district may, but are not required to have IGAs for shared services. When a cooperative and its member districts do not have an intergovernmental agreement for purchasing shared services <strong>the standard contract and procurement requirements apply.</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Option 2 – Articles of Joint Agreement as the IGA</td>
<td>Articles of Joint Agreements are intergovernmental agreements. Cooperatives and member districts can specify the agreed upon terms for purchasing shared services in the Articles of Joint Agreement.</td>
</tr>
<tr>
<td>Option 3 – Separate IGA</td>
<td>Cooperatives and member districts can enter into an intergovernmental agreement outside of the Articles of Joint Agreement. The IGA must delineate the agreed upon terms for purchasing the shared services and document the agreement by all parties</td>
</tr>
</tbody>
</table>
IGA – Question 2

Question:
If a district uses IDEA funds to contract for services, which procurement method applies?

Answer:
As with all other federal awards, for contracts outside of IGAs, the procurement method depends on the amount of the contract. Districts should reference their procedures that were developed in accordance with 2 CFR 200.318.
IDEA Grant Budgets
Procedural Change and Grant Budgets

Cooperative services purchased with IDEA funds must be budgeted in the member district’s IDEA grant application.

• Contractual services

• Tuition for special education programs
Coding Cooperative Services

Cooperative services should be coded as purchased services in the district IDEA grant budgets.

• Contracts with districts, cooperatives, or other governmental agencies should be placed in function code 4000:
  • Identify the entity providing the service and
  • Note the service(s).

• Contracts are a purchased service and should be placed in object code 300.

• **Tuition** paid to districts or special education cooperatives should be placed in function/object code 4000/600.
Grant Budget – Question 1

Question:
Should a district separate all services purchased from a cooperative on multiple expenditure lines for function/object code 4000/300?

Answer:
Either option is allowable, as long as the expenditure line(s) include a detailed explanation and cost of each purchased service.
<table>
<thead>
<tr>
<th>Function</th>
<th>Object</th>
<th>Exclude From MTDC</th>
<th>Expenditure Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1000</td>
<td>100</td>
<td></td>
<td>Salaries for 4 paraprofessionals: Z Allen, T Greco, F Malloy, T Williams</td>
<td>160000</td>
</tr>
<tr>
<td>1000</td>
<td>200</td>
<td></td>
<td>Benefits (insurance, IMRF) for above noted 4 paraprofessionals</td>
<td>63000</td>
</tr>
<tr>
<td>2210</td>
<td>300</td>
<td></td>
<td>Registration/travel costs (meals, lodging, mileage, airfare) for special education staff to attend IDEA focused out-of-district conferences</td>
<td>7000</td>
</tr>
<tr>
<td>2210</td>
<td>300</td>
<td>X</td>
<td>Contract with Schools R Us - secondary transition, behavior intervention plans, educational environment</td>
<td>40000</td>
</tr>
<tr>
<td>3700</td>
<td>400</td>
<td></td>
<td>Consumable supplies (paper, pens, pencils, etc.) for nonpublic proportionate share services – services provided by the cooperative</td>
<td>275</td>
</tr>
<tr>
<td>4000</td>
<td>300</td>
<td></td>
<td>ABC Cooperative professional development costs - three staff in-services ($15,000); administrative services: data entry, IEP coordination and tracking, nonpublic prop share speech and language ($8,500), speech and language, OT, PT services ($150,000)</td>
<td>253500</td>
</tr>
<tr>
<td>4000</td>
<td>600</td>
<td></td>
<td>Tuition to ABC Coop. for life skills, autism, and behavior programs</td>
<td>150000</td>
</tr>
</tbody>
</table>

**Example 1 – single 4000/300 expenditure line**
<table>
<thead>
<tr>
<th>Function</th>
<th>Object</th>
<th>Exclude From MTDC</th>
<th>Expenditure Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1000</td>
<td>100</td>
<td></td>
<td>Salaries for 4 paraprofessionals: Z Allen, T Greco, F Malloy, T Williams</td>
<td>160000</td>
</tr>
<tr>
<td>1000</td>
<td>200</td>
<td></td>
<td>Benefits (insurance, IMRF) for above noted 4 paraprofessionals</td>
<td>63000</td>
</tr>
<tr>
<td>2210</td>
<td>300</td>
<td></td>
<td>Registration/travel costs (meals, lodging, mileage, airfare) for special education staff to attend IDEA focused out-of-district conferences</td>
<td>7000</td>
</tr>
<tr>
<td>2210</td>
<td>300</td>
<td>X</td>
<td>Contract with Schools R Us - secondary transition, behavior intervention plans, educational environment</td>
<td>40000</td>
</tr>
<tr>
<td>3700</td>
<td>400</td>
<td></td>
<td>Consumable supplies (paper, pens, pencils, etc.) for nonpublic proportionate share services – services provided by the cooperative</td>
<td>275</td>
</tr>
<tr>
<td>4000</td>
<td>300</td>
<td></td>
<td>ABC Cooperative professional development costs - three staff in-services</td>
<td>15000</td>
</tr>
<tr>
<td>4000</td>
<td>300</td>
<td></td>
<td>ABC Cooperative - administrative services: data entry, IEP coordination and tracking</td>
<td>80000</td>
</tr>
<tr>
<td>4000</td>
<td>300</td>
<td></td>
<td>ABC Cooperative - speech and language, OT, PT services</td>
<td>150000</td>
</tr>
<tr>
<td>4000</td>
<td>300</td>
<td></td>
<td>ABC Cooperative nonpublic prop share speech/language</td>
<td>8500</td>
</tr>
<tr>
<td>4000</td>
<td>600</td>
<td></td>
<td>Tuition to ABC Coop.: life skills, autism, and BD programs</td>
<td>150000</td>
</tr>
</tbody>
</table>
Grant Budget – Question 2

Question:
When must a district select the Exclude from MTDC box in the IDEA grant budget?

Answer:
The exclude from MTDC allows indirect costs to be charged against only the first $25,000 of each individual contract (in object code 300). Any single contract greater than $25,000 should be listed on an individual line and the Exclude from MTDC checkbox must be selected.

MTDC is not required for services purchased from other public governmental entities, such as special education cooperatives.
<table>
<thead>
<tr>
<th>Total Allotment</th>
<th>920738</th>
</tr>
</thead>
</table>

**NOTE:** READ BEFORE IMPORTING - Data Import Instructions

**Data Import Template**

**Upload/Validate File**

**Calculate Totals**

*If expenditures are budgeted in functions 2510, 2520, 2570, 2640, or 2660, the indirect cost rate cannot be used.*

**Contracts over $25,000 must be entered in a separate line items and the Exclude from MDTC box selected.** (Modified Total Direct Cost)
Grant Budget – Question 3

Question:
Does the Exclude from MTDC apply to subscriptions, licenses, and user fees that exceed $25,000?

Answer:
No. The Exclude from MTDC applies to contracts, not licensing fees and subscriptions.
Coding IDEA Professional Development

A minimum of 5% of the total IDEA flow-through allocation must be expended on professional development expenditures.

Code expenditures correctly to receive full credit for professional development expenditures.

- **Function code 2210** – district professional development costs paid directly for speakers, staff travel, registration, working lunches.

- **Function Code 4000** - professional development purchased from a cooperative or other public governmental entity.
  - Note the public governmental agency providing the purchased service.
  - Note the professional development services/activities.
  - Note the amount budgeted for the professional development.
Grant Budget – Question 4

Question:
How do the IDEA grant coordinators calculate the 5% amount for professional development?

Answer:
The 5% is based on the total IDEA flow-through allocation for the current fiscal year.

• IDEA preschool funds are not included
• Carryover funds are not included

The IDEA grant coordinators check function codes 2210 and 4000 for professional development expenditures that total 5% of the total flow-through allocation.
IDEA Maintenance of Effort (MOE)
FY20 Procedural Change & IDEA MOE

• State-approved directors will continue to receive all IDEA MOE worksheets for distribution to member districts.

• **Negative IDEA MOE will prohibit approval of district IDEA grants.** It is imperative that districts resolve negative MOE quickly. The worksheets are generally mailed in April, which provides two – three months to resolve negative MOE prior to July 1.

• One member district’s negative MOE will no longer hold up approval for the entire cooperative grant.

• Districts will complete IDEA MOE Eligibility and MOE Compliance pages in the IDEA flow-through grant.
Procedural Change – Member District MOE

Avoid supplanting and maintain local effort -
- Be aware of MOE requirements and allowable exceptions
- Track state and local special education expenditures
- Remember that the IDEA allocation is not new or additional funds
- Be aware of annual financial report (AFR) expenditures used for the IDEA MOE worksheets

As always, resolve MOE early and take advantage of ISBE resources.
Procedural Change – Cooperative MOE

Cooperatives must complete IDEA MOE composite worksheets for the years they received IDEA allocations.

Option 1 – Standard July 2019 Procedural Change
• Cooperatives will complete the IDEA MOE worksheets in the MOE cycles for FY 2020 and FY 2021.
• Cooperatives will not complete IDEA MOE worksheets for FY 2022 and subsequent years.

Option 2 – Extension to July 2020
• Cooperatives will complete the IDEA MOE worksheets in the MOE cycles for FY 2020, FY 2021, and FY2022.
• Cooperatives will not complete IDEA MOE worksheets for FY 2023 and subsequent year.
IDEA MOE – Question 1

Question:
Can a district use IDEA funds to contract with a cooperative for the services the cooperative historically provided?

Answer:
Yes. Using IDEA funds to purchase cooperative services, through contracts or intergovernmental agreements, avoids the problem of further sub-granting the federal funds and allows for uninterrupted services.

Those expenditures should be placed in the AFR as payments for special education programs and/or special education tuition, as appropriate.
IDEA MOE – Question 2

Question:
Does this mean that after the IDEA allocations procedural change cooperatives will be totally removed from the IDEA MOE compliance process?

Answer 6:
No. The IDEA MOE worksheets will still be sent directly to the state-approved directors, including cooperative directors.
• The cooperatives should continue to work with their member districts to resolve any IDEA MOE issues and avoid any delays in IDEA grant approval and IDEA reimbursement.
• It would be beneficial for cooperatives to monitor district IDEA grant MOE status to avoid delays in district IDEA grant approval and reimbursement which could affect payment schedules for cooperative services.
IDEA MOE – Question 3

Question:
Should a district hold wait until its MOE is resolved before submitting the IDEA grant application?

Answer 6:
No. Submitting the grant application to ISBE initiates the start date. Districts should make every effort to secure a July 1 start date (the earliest possible start date). Grantees cannot obligate funds before the start date, so it is important to secure an early start date to provide the most flexibility.

Negative MOE can be resolved after the grant is submitted.
Division of Funding And Disbursement

Expenditure Reports

Carryover Funds
Expenditure Reports

When the IDEA allocation procedural change is implemented:

• Districts will submit IDEA expenditure reports directly to ISBE.
  • Standard ISBE expenditure report process
  • Standard expenditure report timelines

• Cooperatives will submit one final IDEA expenditure report.
Expenditure Report Question

Question:
How will member districts submit expenditure reports?

Answer:
Districts will submit all expenditure reports to ISBE in the same way.
• All federal expenditure reports must be submitted on a cumulative (i.e., year-to-date) cash basis accounting method (i.e., expenses are recognized when they are paid).
• Outstanding obligations may be reported on June expenditure reports through the project end date – even if the project ends after June.
• Grantees will report cumulative cash basis expenditures via the Electronic Expenditure Reporting System; ISBE will reimburse the expenditures accordingly on a weekly basis.
• Use this link to see a helpful presentation and walk-through of completing/submitting expenditure reports
  • [https://www.isbe.net/Documents/electronic-expenditure-reports.pdf](https://www.isbe.net/Documents/electronic-expenditure-reports.pdf)
IDEA Carryover Funds

• Federal Funds have a 27 month life, so unbudgeted/unexpended funds are rolled to the next fiscal year and are added to the total funds available in the next fiscal year

• Carryover is determined **WHEN** these conditions are met:
  • FINAL cumulative expenditure report has been submitted to ISBE (final report = through the project end date AND NO outstanding obligations reported; and
  • Federal program has been set up in FRIS system

• Once the carryover has been determined (final report loaded into FRIS [overnight], the entity will see the carryover in eGMS on the allotment screen the next day.

• At that time, if the original budget has been approved, an amendment can be created/submitted to ISBE to use the carryover funds – if the original budget has not been approved, the additional funds can be incorporated into the original application.
IDEA Carryover and Procedural Change

Cooperative Responsibilities:

- Notify ISBE of the IDEA flow-through and preschool carryover funds due to each member district. Notification via the -
  - IDEA Procedural Change Acknowledgment and Extension Application form in IWAS
  - OR
  - When the final cumulative expenditure report is submitted to ISBE, please send an email or a letter to the Funding and Disbursements Division denoting the amount to be distributed to each member district for both IDEA Flow Through (4620) and IDEA Preschool (4600) including any prepayment adjustments

- Submit a final cumulative expenditure report
  - Through the project end date
  - No outstanding obligations reported

Member District Responsibilities:

- Create a grant application for the IDEA flow-through and preschool allocations and any carryover funds
Funding and Disbursements Resources

Webpage - https://www.isbe.net/Pages/Funding-and-Disbursements.aspx

• General Grant Information
• Illinois Purchased Care Review Board
• Special Education Reimbursement
• Transportation
• Child Nutrition Programs

Expenditure Reports:
Kim Lewis klewis@isbe.net
Keri Shoemaker kshoemak@isb.net
Telephone – (217)782-5256
IDEA Allocation Procedural Change

and

Grant Accountability and Transparency Act (GATA)

Requirements
GATA Prequalification and Registration Activities – Member Districts

Member districts – Districts will continue to complete GATA prequalification and registration activities each spring. The IDEA procedural change will not impact that process.
GATA Prequalification and Registration Activities – Cooperatives (1)

It is possible that a cooperative’s GATA prequalification and registration requirements will end with the IDEA allocation procedural change.

- GATA requirements apply to entities that receive federal and/or state awards through Illinois agencies.

- If the IDEA grants are the only awards a cooperative receives, then no GATA preregistration will be required, effective with implementation of the procedural change.
GATA Prequalification and Registration Activities – Cooperatives (2)

July 1, 2019 implementation (standard) - cooperatives will **not** complete FY20 GATA prequalification and registration, unless they receive other federal/state grants through Illinois agencies.

July 1, 2020 implementation (extension):
- Cooperatives will completed FY20 GATA prequalification and registration
- Cooperatives will **not** complete FY21 GATA prequalification and registration, unless they receive other federal/state grants through Illinois agencies.
GATA Question

Question:
If a cooperative implements the standard procedural change on July 1, 2019 and it doesn’t receive any other federal or state grants, must the cooperative complete the prequalification and registration process this spring?

Answer:
No. If the IDEA flow-through and preschool grants were the only federal/state awards received through an Illinois agency, then the GATA prequalification/registration requirements will not apply for FY20.
Periodic Performance Reports - 1

Cooperative Member Districts

Member districts will complete and submit IDEA periodic performance reports once they receive IDEA allocations.

When the procedural change is implemented, the IDEA grant application will combine flow-through and preschool, resulting in one IDEA periodic performance report for each reporting period.

July 1, 2019 implementation (standard) – Districts will complete the combined IDEA flow-through and preschool periodic performance reports for FY20 and subsequent years.

July 1, 2020 implementation (extension) - Districts will complete the combined IDEA flow-through and preschool periodic performance reports for FY21 and subsequent years.
Periodic Performance Reports - 2

Special Education Cooperatives

When the procedural change is implemented cooperatives will no longer receive IDEA allocations and their responsibilities for IDEA flow-through and preschool periodic performance reports will also cease.

**July 1, 2019 implementation (standard)**

- Cooperatives will complete the final IDEA flow-through and preschool periodic performance reports for FY19.
- Cooperatives will not complete periodic performance reports for FY20 and subsequent years.

**July 1, 2020 implementation (extension)**

- Cooperatives will complete the final IDEA flow-through and preschool periodic performance reports for FY19 and all FY20 reports.
- Cooperatives will not complete periodic performance reports for FY21 and subsequent years.
GATA Resources

GATA webpage - https://www.isbe.net/gata

• Updates
• Registration process
• Overview
• Training and technical assistance tools
• Periodic performance report timelines

Email - gata@isbe.net
Telephone - (217)782-5630
Procedural Change Preparation

Cooperatives:
• Complete and submit the IDEA Procedural Change Acknowledgment and Extension Application form in IWAS
• Calculate member district carryover funds

Cooperative/Member Districts:
• Determine if an intergovernmental agreement is needed for shared services purchased through the cooperative
• Submit any Article of Joint Agreement revisions to Special Education Services
• Establish payment schedules for cooperative services (local assessments, IDEA reimbursements)

Member Districts:
• Resolve IDEA MOE issues prior to July 1
• Submit an IDEA grant application prior to July 1 – even if MOE is still negative
• Utilize resources: IDEA grant webpage, cooperative, IDEA grant team
Upcoming Events and Activities

Procedural Change:
• IDEA Procedural Change Acknowledgment and Extension Application form in IWAS – due March 31, 2019

• FY20 IDEA Grant Application - ISBE will provide a webinar highlighting the FY20 combined IDEA flow-through and preschool grant application.

General IDEA Grant:
• MOE worksheets mailed to state-approved directors - generally in April
• Timely and meaningful consultation with nonpublic representatives scheduled and held by May 31
• FY20 IDEA grant applications released – generally early June
FY20 Procedural Change Resources

The IDEA grant webpage houses listserv announcements, TA documents, and webinars.

https://www.isbe.net/Pages/IDEA-Part-B-Grant-Program-Information.aspx
IDEA Grant Coordinators
Contact Information

Zach Allen (zallen@isbe.net)
Tammy Greco (tgreco@isbe.net)
Mandi Richards (marichar@isbe.net)
Todd Williams (todwilli@isbe.net)

(217) 782-5589
thank you