

School Health and Related Services (SHARS) and IDEA-B LEA MOE Guidance

Some of the services that students receive from local educational agencies (LEAs) under the Individuals with Disabilities Education Act (IDEA) grant program are services that a Medicaid-eligible person could receive through the Medicaid program.

If an LEA provides a Medicaid-eligible student with a Medicaid service that is specified on the student's Individualized Education Program (IEP), the LEA may request reimbursement for that service through Medicaid's School Health and Related Services (SHARS) program. (Refer to the Additional SHARS Resources section for detailed student and LEA SHARS eligibility requirements.)

The LEA is reimbursed the federal portion of the amount it actually expended on the service based on the Federal Medicaid Assistance Percentage (FMAP) rate Medicaid has defined. If the reimbursement is expended on special education services, that expenditure must be excluded from the calculation of state/local expenditures for purposes of calculating maintenance of effort (MOE) (34 CFR 300.154(g)(2)).

Coding the Federal Reimbursement

The reimbursement that an LEA receives through the SHARS program is revenue that must be coded through the LEA's financial accounting system as class/object code R5931, as stated in the [Financial Accountability System Resource Guide](#):

R5931 School Health and Related Services (SHARS)

This code is to be used to account for funds received from the School Health and Related Services (SHARS) Program. Funds received represent reimbursements to the school district for school-based health services, which are provided to special education students enrolled in the Medicaid Program. These receipts are not considered "federal financial assistance" for inclusion in the Schedule of Federal Financial Assistance. In addition, the expenditures associated with SHARS reimbursements will be subtracted from special education expenditures for maintenance of effort purposes.

Expenditure of the Federal Reimbursement

The LEA may expend the federal funds it receives as reimbursement under SHARS on special education services. However, federal regulations prohibit the LEA from including the expenditure in its IDEA-B LEA MOE calculation.

Further, [34 CFR 300.154\(g\)\(2\)](#), states, in relevant part:

If a public agency spends reimbursements from Federal funds (e.g., Medicaid) for services under this part, those funds will not be considered "State or local" funds for purposes of the maintenance of effort provisions in 300.163 and 300.203.

If the LEA chooses to spend the SHARS reimbursement on special education (for example, to purchase an assistive technology device that is specified in a student's IEP), the LEA must account for that expenditure separately from the state and local expenditures for MOE purposes. The LEA must document the subsequent expenditure and provide that information to TEA as an IDEA-B LEA MOE State Reconsideration, so it is not counted for MOE purposes.

Additional SHARS Resources

The Texas Administrative Code (TAC) mandates the benefits and limitations of the SHARS program ([1 TAC §354.1341](#)) as well as conditions for participation in SHARS ([1 TAC §354.1342](#)).

TEA and the Texas Health and Human Services Commission (HHSC) cooperate in administering the SHARS program. Both agencies provide SHARS information on their websites:

- HHSC: [School Health and Related Services](#)
- TEA's Division of Federal and State Education Policy, the TEA program division responsible for IDEA: [School Health and Related Services \(SHARS\)](#)

For Further Information

If you have any questions regarding SHARS and IDEA-B LEA MOE, please contact the Division of Federal Fiscal Compliance and Reporting at (512) 463-9127 or compliance@tea.texas.gov.

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