

<b>DATE:</b>	<b>October 1, 2020</b>
<b>SUBJECT:</b>	<b>Special Education Fiscal Compliance Survey Reporting Requirement</b>
<b>CATEGORY:</b>	<b>Federal Fiscal Compliance and Reporting</b>
<b>NEXT STEPS:</b>	<b>LEAs to submit survey by November 6, 2020</b>

This letter describes a reporting requirement applicable to all local educational agencies (LEAs) and fiscal agents that received or administered funds awarded through the Individuals with Disabilities Education Act, Part B (IDEA-B) grant program for the 2019–2020 school year.

To conduct IDEA-B LEA maintenance of effort (MOE) compliance reviews, TEA must know how LEAs and fiscal agents expended any reimbursements they received under the School Health and Related Services (SHARS) program, whether House Bill 3 (HB3) Dyslexia allotment funds (coded PIC 37) were spent on special education services, and how LEAs and fiscal agents coded any reimbursements received from Education Service Center (ESC) 20 via the Special Education Fiscal Support funding.

The previous annual SHARS Reimbursement Report Survey has been expanded to collect data related to these additional two sources of possible expenditures for special education which may impact an LEA’s compliance with the IDEA-B LEA MOE requirement. The expanded Special Education Fiscal Compliance Survey has added specific questions to collect this data to ensure that TEA can accurately calculate IDEA-B LEA MOE compliance.

All LEAs that received IDEA-B grant funding in the 2019–2020 school year must therefore submit the Special Education Fiscal Compliance Survey, regardless of whether they received SHARS reimbursements, spent HB 3 Dyslexia funds on special education, or were awarded Special Education Fiscal Support funds.

### **SHARS and IDEA-B LEA MOE**

The SHARS program allows Texas LEAs to request Medicaid reimbursement for certain health-related services provided to students with disabilities.

In accordance with Title 34 of the Code of Federal Regulations (34 CFR) §300.154(g)(2), if an LEA spends SHARS reimbursements for state and local expenditures for special education services, those **subsequent** expenditures must be **excluded** for IDEA-B LEA MOE purposes from the final calculation of state and local expenditures.

### **HB3 Dyslexia Allotment Funds Expended on Special Education Services**

In a previous To the Administrator Addressed (TAA) letter dated [July 2, 2020](#), LEAs were advised of the following:

“During the 2019–2020 school year, LEAs must separately track expenditures coded to PIC 37 that are associated with special education students and those associated with non-special education students. TEA advises LEAs to use a local option code when using PIC 37 to track the expenditures that are associated with providing special education dyslexia services that would qualify as allowable expenditures for IDEA-B LEA MOE. LEAs will be asked to self-report these expenditures to be included in the IDEA-B LEA MOE Compliance Review.”

These special education expenditures reported in the survey will be **added** to the LEA’s total state and local expenditures for MOE purposes.

## **Special Education Fiscal Support Funding Award by ESC 20**

In 2019–2020, some LEAs received reimbursement funds from ESC 20 for certain special education services. Those LEAs were originally advised to code the expenditures to Fund Codes 429/459. Since Fund Codes 429/459 are not included in the IDEA-B LEA MOE calculation, LEAs were given the option to reverse journal entries to Fund Codes 199/420/437, which are included in the IDEA-B LEA MOE calculation. In this survey, LEAs that did not reverse the journal entries are asked to report the amount of special education expenditures in Fund Codes 429/459 that should be **added** to the total state and local expenditures for MOE purposes.

### **Survey Access and Deadline**

TEA has developed a [Special Education Fiscal Compliance Survey](#) to collect this information. The survey is also available on the SHARS and IDEA-B LEA MOE Guidance pages of the TEA website.

Refer to these [Special Education Fiscal Compliance Survey Instructions](#) for information on how to access and submit the survey by the November 6, 2020, deadline.

### **For Further Information**

The [IDEA-B LEA Maintenance of Effort](#) page of the TEA website provides links to the [SHARS and IDEA-B LEA MOE Guidance](#) page, to SHARS guidance, and to the IDEA-B LEA MOE Guidance Handbook.

If you have further questions about the Special Education Fiscal Compliance Survey reporting requirement, please contact the Federal Fiscal Compliance and Reporting Division at [compliance@tea.texas.gov](mailto:compliance@tea.texas.gov).