

MEMORANDUM

TO: County Superintendents
County Special Education Directors
WV Schools for the Deaf and Blind
Office of Diversion and Transition

FROM: Pat Homberg
Executive Director
Office of Special Education

DATE: March 14, 2018

SUBJ: HIGH COST EXPENDITURE/HIGH ACUITY FUND FOR REIMBURSEMENT OF
EXPENSES FOR STUDENTS WITH DISABILITIES FOR FY2018

This correspondence provides county superintendents, county special education directors, and other interested individuals information regarding the IDEA State Plan for High Cost/High Acuity Expenditure Reimbursement for the FY 2018. Criteria, instructions and forms for funding applications are attached.

The FY 2018 project period and the due date for the annual submission is as follows:

<u>Project Period</u>	<u>Due Date</u>
July 1, 2017-June 30, 2018	August 17, 2018

In accordance with the Individuals with Disabilities Education Improvement Act of 2004, §300.704 (c)(3)(i), the Office of Special Education reviewed the High Cost/High Acuity Plan with LEA representatives present at the Office of School Finance/Federal Program Break-out session on July 18, 2017. No suggestions for any changes in the plan were made and instructions were provided on the completion of the application.

For the plan year ending 2018, the minimum expenditure criteria has decreased slightly from \$34,108 to \$33,824 per student. This amount is based on three times the 2016 average per pupil expenditure amount of \$11,274.69. The 2016 amount is the latest data on which the per pupil expenditure amount is available.

The total amount of funding available for FY 2018 is \$2,351,115 (\$1,500,000 state funding and \$851,115 IDEA funding). The complete criteria for participation and submission of an application are outlined in the attached plan. Directions for completion of the application also are attached.

If you have questions or require assistance in the completion and submission of the application for the reimbursement of these funds as it relates to the court-ordered Out-of-State students, please contact Sheila Paitzel, Assistant Director, Office of Federal Programs at (304) 558-7805, sgpaitzel@k12.wv.us. For all other questions please contact Diana Whitlock, Coordinator, Office of Special Education at (304) 558-2696, dwhitloc@k12.wv.us, Janice Hay, Coordinator, Office of Internal Operations, at (304) 558-2686, jehay@k12.wv.us, or Shana Clay, Coordinator, Office of Special Education at (304) 558-2696 or sdclay@k12.wv.us. Applications and all required documentation should be mailed to:

Diana Whitlock, Coordinator
Office of Special Education
West Virginia Department of Education
1900 Kanawha Boulevard, East
Building 6, Room 652
Charleston, WV 25305

The Office of Special Education will continue to annually review, in collaboration with local special education directors and others, as appropriate, the status of the process for application for high cost/high acuity funding for high cost students. Areas of discussion will include any allowable changes to criteria, options for use of the funds and continuation of these set asides. Special education directors or other interested staff are asked to submit any questions or concerns with relation to the plan to Diana Whitlock at dwhitloc@k12.wv.us to assure they receive consideration in plan review.

The attached State Plan for High Cost Expenditure/High Acuity Fund and corresponding application may be accessed on the OSE website at <http://wvde.state.wv.us/osp/fiscalmonitoring.html>. Click on the link to High Cost Expenditures.

PH/JH
Enclosures

c: Amy Willard
Sheila Paitsel
Janice Hay
Shana Clay
Diana Whitlock

FY2018/HighCostReimbursementMemo&StatePlan

WV STATE PLAN FOR HIGH COST EXPENDITURE/HIGH ACUITY FUND 2017-2018
DESCRIPTION OF CRITERIA FOR DISTRICT PARTICIPATION AND DEFINITION
OF A HIGH COST STUDENT WITH A DISABILITY
Office of Special Education

Components of the FY 2018 State Plan for the High Cost Expenditure/High Acuity Fund administered by the West Virginia Department of Education (WVDE) include the following and are also addressed in the attached Application for Reimbursement package:

- Criteria for District Participation
- Definition of a High Cost Student with a Disability in West Virginia
- Funding Mechanism for Distribution
- Schedule for Annual Distribution of Funds
- Consideration of Financial Impact

Criteria for District Participation

Each local educational agency (LEA) in WV, including West Virginia Schools for the Deaf and Blind and the Office of Diversion and Transition Program, has access to the High Cost Expenditure/High Acuity Fund. In order to be considered eligible, each district must have the following on record with WVDE:

- An approved application for state and federal special education funds for the current year;
- Documentation the county board of education has adopted Policy 2419: *Regulations for the Education of Students with Exceptionalities*;
- Approved Corrective Action and/or Improvement Plans, as applicable, or documentation that verifies the district's efforts in pursuing the completion of a current activity(ies);
- Documentation that other appropriate funds have been exhausted to support the costs of the high cost/acuity student; and
- Documentation that no federal or state funds have been returned to WVDE from federal or state grant awards that have expired.

Definition of a High Cost/Acuity Student with a Disability in West Virginia

A district may request the use of funds from the High Need Expenditure/High Acuity Fund for a student with a disability who meets all of the following criteria:

- Is 3-21 years of age, inclusive;
- Is currently eligible under Part B;
- Has a current Individualized Education Program (IEP);
- Is enrolled within the district requesting funds and receives special education and related educational services in that district's public school; or has been placed in an out-of-state facility by the court system and receives special education and related educational services; and
- **The cost for the student's education is equal to or greater than \$33,824 per fiscal year or \$3,382 a month, based on 10 months** (approximately three times the average 2016 per pupil expenditure @ \$11,274.69). This cost includes the average per pupil expenditure (APPE) amount for students in the district and the excess costs for educating the student.

Counties must consider the following when applying for reimbursement:

- Costs for students with disabilities who are placed out-of-state through the court system may be reimbursed through the High Cost Expenditure Fund/High Acuity Fund. Counties may seek reimbursement for the cost allocated to the county.
- Costs for students with disabilities who are placed out-of-state by a district IEP Team, due to inability of the district to provide free appropriate public education (FAPE) may not be reimbursed through the High Cost Expenditure Fund or the state appropriation for high cost/high acuity students. Out-of-state IEP funding procedures and reimbursements remain separate as established.
- Expenditures for out-of-county students are reimbursable when all aforementioned criteria are met. These are students who have been placed into foster care or an emergency shelter in a district that is not their home county and would otherwise be reimbursable under the Application for Reimbursement for the Education of Students with Exceptionalities Placed in County by Other State Agencies (Out-of-County Reimbursement). However, reimbursement will not be provided from both the high cost/high acuity and the out-of-county funding reimbursement mechanism.
- For students placed in high cost placements as a result of due process hearing or court decisions, request for reimbursement will be considered after funds for out-of-state placements have been exhausted and if the criteria for reimbursement are met.

Funding Mechanism that Provides Distributions each Fiscal Year to Districts

IDEA regulations, §300.704(ii)(3)(A)(2), state that the High Cost Expenditure Plan should ensure the cost of the high cost student with a disability is greater than three (3) times the average per pupil expenditure in the state. For FY 2018, the minimum cost of a high cost student is \$33,824 per year. In addition, IDEA requires Medicaid and other available funds be expended first to support services to the high cost student. The application for reimbursement must include this documentation, and the request will be reduced accordingly.

For purposes of reimbursement from the High Cost Expenditure/High Acuity Fund, only those costs required to provide direct special education and related services, as they are identified in the high cost/high acuity student's IEP, may be submitted.

Examples:

- Personnel (e.g., special education teachers, aides and/or service providers) responsible for the implementation of the student's special education and related services, including extended school year services
- Evaluations recommended by the IEP Team and documented on the student's IEP (not previously reimbursed under the Assistive Technology Reimbursement Application)
- Supplementary classroom materials for the provision of specially designed instruction
- Assistive technology services or devices identified generically or by name on the student's IEP
- Equipment (mats, prone stander)
- Construction (ramp, handicap accessible bathroom)
- Special transportation

The rate for approved High Cost Expenditure/High Acuity Fund Applications will be based upon the following:

- The High Cost Expenditure/High Acuity Fund (\$2,351,115) will be reviewed and distributed annually (as specified below). This total includes the federal IDEA and state high acuity amounts appropriated in FY 2018.
- If requests exceed the amount available, reimbursements will be prorated based upon the individual district's request to the sum of all requests received for the project period.
- High Cost Expenditure/High Acuity funds shall be used **to reimburse** the district. The district must initially pay the costs of educating the student.

Annual Schedule for Distributions

For FY 2018 the funds available for reimbursement and distribution to districts from the **federal IDEA** Funding are \$851,115. The **State appropriated high acuity funds** available for this purpose for FY 2018 are \$1,500,000. Applications will be reviewed and reimbursement provided on an annual basis. Reimbursements will be prorated based upon the individual district's request to the sum of all requests received for the annual period. The district must initially pay the costs of educating the student. The application due date for the year is located on the attached application.

IDEA funds remaining, if any, after applications are processed for the period ending on June 30, 2018, will be distributed to districts as required by IDEA and in accordance with the formula specified in the FY18 annual application for state and federal funds. Any state acuity funds remaining will be carried over into the next fiscal year and be an additional amount available for reimbursement for that year's funding for the High Cost Expenditure/High Acuity Funds. For the 2017 year, requests exceeded the amount of funding available so there were no balances remaining in the 2017 year to be redistributed or carried over into the 2018 year. For the year 2017, counties were reimbursed at an approximately 31% of the amount requested.

The WVDE recognizes that, on occasion, a district may have an immediate extraordinary short-term need. For example, a high cost student may enroll when three months or less of the school year remains; and financial resources are unavailable. In those unique situations, the department may waive the reimbursement calendar standards above. In these cases, the county superintendent must submit an application in accordance with the directions and provide additional explanation of the financial situation.

Applications **must be postmarked** by the due date shown on the appropriate fiscal year's application to be considered.