



IDEA Oversight 101: Budgeting Funds, Ensuring Compliance, and Supporting Students with Disabilities

IDEA Oversight Coordinators

Federal Programs & Oversight

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Presentation Agenda

- **Overview of IDEA Part B, 611 and 619**
 - FY27 Federal Spending Handbook
 - Examples of Allowable Uses
 - Private School Proportionate Share (PSPS)

- **Fiscal Considerations**
 - Supplement, Not Supplant
 - Maintenance of Effort (MOE)/State Special Education Expenditure Report (SSEER)

- **Oversight Strategies**





Overview of IDEA, Part B 611 and IDEA, Part B 619 Grants

IDEA, Part B, § 611—Individuals with Disabilities Education Act

- The purpose of the IDEA, Part B, § 611 program is to provide supplemental federal funds to pay for the excess cost of providing a free appropriate public education (FAPE) to children ages three to 21 who have been identified with disabilities in accordance with IDEA, Part B, § 611 requirements (excludes Tennessee's gifted and functionally delayed categories).
- In limited cases, IDEA-funded services can benefit non-disabled students.
 - Examples include LEAs that are identified as having significant disproportionality are required to use 15 percent of their IDEA Part B § 611 and 619 funds for students without disabilities and students with disabilities identified as needing additional academic and/or behavioral support in grades PK-12 (34 C.F.R. § 300.646).



What can IDEA 611 fund?

The IDEA, Part B funds must be used to support the extra cost of providing special education and related services to students with disabilities. Assuming an LEA meets IDEA excess cost requirements, it may use IDEA, Part B funds to administer a range of activities that support students with disabilities, including:

- special education teachers and administrators;
- related service providers (e.g., speech therapists, psychologists);
- materials and supplies for use with children with disabilities;
- professional development for personnel who work with students with disabilities (including regular education teachers who teach students with disabilities); and
- specialized equipment or devices to assist students with disabilities.



What can it fund?

Assuming an LEA meets IDEA excess cost requirements, it may use IDEA, Part B funds to administer a range of activities that support children ages three through twenty-one with disabilities, including:

- special education teachers and educational assistants;
- related service providers (e.g., speech therapists, occupational therapists, psychologists);
- appropriate supplies and materials designed to increase achievement and outcomes while increasing access to the general curriculum;
- expanding the availability and range of inclusive placement options;
- professional development for personnel who work with students with disabilities (including regular education teachers who teach students with disabilities); and
- specialized equipment or devices to assist students with disabilities.

Can these funds be braided...

- **LEAs may also coordinate IDEA, Part B 611 and 619 funds with other funding sources to support students with disabilities participating in larger whole school initiatives.**
- **Some related examples include:**
 - learning environments supportive of all learners in an inclusive setting based on universal design for learning strategies;
 - school climate or positive behavior intervention and support strategies;
 - programs to promote the social and emotional development of young children;
 - programs to support the transition of students with disabilities from high school to college or career; and
 - merging separate special education data systems into existing elementary, secondary, postsecondary, and workforce systems.





IDEA Parentally Placed Private School (PSPS)

IDEA PSPS

Federal regulations require that a proportion of your federal funds be used to provide services to children with disabilities in private schools. The focus is to provide guidance to LEAs following the requirements of 20 U.S.C. 1412(a) (10) of IDEA 2004 regarding:

- (1) the LEA responsible for providing equitable special education and related services to parentally placed private school children with disabilities, and
- (2) determining the proportionate share calculation of Federal funds to be expended by the LEA for such children attending private schools located in their school district.

Remember that in Tennessee, home-schooled students are also considered private school students and must be included in this count.

IDEA PSPS Requirements

- The re-authorization of IDEA 2004 requires LEAs to consult with representatives of private schools and conduct a thorough and complete child find process to determine the number of parentally placed children with disabilities attending private schools *located within the jurisdiction of the LEA*.
- This means that representatives of private schools have only one LEA to consult to ensure that children with disabilities enrolled in their private schools can participate in IDEA equitable services.

For additional information, please refer to 34 CFR § 130 – 133 and Appendix B to Part 300 – Proportionate Share Calculation.

PSPS Reserve Calculations

- It is the LEA's responsibility to arrive at the "proportionate amount" of federal funds for your system to spend on providing services to children with disabilities in private schools.
 - LEAs complete the '*Data and Information*' instrument in ePlan annually. Submissions are used to calculate the actual proportionate amount for the school year when next year's allocations are calculated.
- For you to know what proportion of IDEA Part B funds (ages 3-21) must be spent on providing these services, you must know the number of eligible parentally placed private school children with disabilities (including home-schooled students) within your LEA jurisdiction for that age group.





Fiscal Considerations: Supplement, Not Supplant

Supplement, Not Supplant

- A local education agency (LEA) may use program funds only to supplement (add to, increase, or enhance) and, to the extent practical, increase the level of funds that would, in the absence of federal funds, be made available from non-federal sources for the education of participating students (20 U.S.C. § 6321).
- In no case may an LEA use federal program funds to supplant (take the place of or replace) funds from non-federal sources.



Presumptions of Supplanting

- The state education agency (SEA) or LEA used federal funds to provide services that the SEA or LEA was required to make available under other federal, state, or local laws.
 - An LEA may rebut a supplanting determination if it can demonstrate it would not have provided services had the federal funds not been available.
- The SEA or LEA used federal funds to provide services that the SEA or LEA provided with nonfederal funds.
 - *Note*: Some federal grants, such as the English Language Acquisition grant, look at other federal funds in addition to non-federal funds (20 U.S.C. § 6825).
- The SEA or LEA used federal funds to provide services for participating children that the SEA or LEA provided with nonfederal funds for nonparticipating children.
- An LEA should maintain documentation, including but not limited to fiscal or programmatic documentation, to confirm that, in the absence of the federal funds, the LEA would have eliminated services in question.

See 20 U.S.C. § 6321 and 34 C.F.R. §§ 76.730-76.731.



**Fiscal Consideration:
Maintenance of Effort (MOE) and
State Special Education Expenditure
Report (SSEER) Requirements**

Maintenance of Effort (MOE)

- In general, federal funds appropriated under Part B of IDEA may only be utilized to cover the excess costs of providing special education and related services to students with disabilities.
 - These federal funds **must** supplement/increase the level of other federal, state, and local funds expended for special education and related services and, in no case, supplant these funds.
- In addition, IDEA includes separate MOE provisions that apply independently at the state and local levels.
 - MOE generally refers to a requirement placed upon many federally funded grant programs, which requires the SEA and LEAs to demonstrate that the level of state and local funding remains constant from year to year.
 - Both the rules and the consequences of failing to meet the required level of effort by the state or by the LEA are different under IDEA.

Conditional Approval

The SEA conditionally approves the LEA's eligibility based on a review of the MOE Assurance, consisting of financial data compared in four different tests that determine:

1. At least the same total combination of local and state funds is budgeted as the LEA expended for special education in the previous fiscal year.
2. At least the same amounts of local funds are budgeted as the LEA expended for special education in the previous fiscal year.
3. At least the same student per capita amount from local and state funds is budgeted as the LEA expended for special education in the previous fiscal year.
4. At least the same student per capita amount from local funds is budgeted as the LEA expended for special education in the previous fiscal year.



State Special Education Expenditure Report (SSEER)

- The SSEER uses general-purpose special education funds to make financial expenditures for the instructional and related service needs of special education students.
- **Reporting includes:**
 - State and Local Funds
 - Local funds only

Real World Application: IDEA, Part B, Non-Supplanting/Maintenance of Effort Page in ePlan

- Columns A and B auto-populate from the prior year's CFA.

Row	A	B	C	D
	2023-2024	2024-2025	2025-2026 Actual ▼	2026-2027
1	\$8,109,435.36	\$8,862,896.36	* \$ 8,975,275.42	
2	1302	1309	* 1,304	
3	\$ 6,228.44	\$ 6,770.74	\$ 6,882.88	
4			* 7,432.00	
5			17.55 %	
6				* \$ 8,999,762.04



IDEA, Part B, Non-Supplanting/Maintenance of Effort Page in ePlan, continued

- Compare column C to the previous years' expenditures...

Row		A	B	C	D
		2023-2024	2024-2025	2025-2026 Actual ▼	2026-2027
1	Actual amount expended for students with disabilities (SWD) served (State Special Education Expenditure Report)	\$470,229.37	\$464,693.20	* \$ 462,253.06	
2	Total unduplicated count of disabled students served by the school system (End of Year Report)	114	112	* 113	
3	Per pupil expenditures (Row 1 divided by Row 2)	\$ 4,124.82	\$ 4,149.05	\$ 4,090.74	
4	System's total enrollment (All Students)			* 584.00	
5	Percentage of Special Education Students (Row 2 divided by Row 4)			19.35 %	
6	Projected Expenditures (Total Expenditures General Purpose Funds)				* \$ 642,100.00

- If the amounts on lines 1 or 3 in column C are less than the previous year, you must look further for any allowable exceptions in order to meet MOE.



§ 300.204 Exception to MOE

Notwithstanding the restriction in [§ 300.203\(b\)](#), an LEA may reduce the level of expenditures by the LEA under Part B of the Act below the level of those expenditures for the preceding fiscal year if the reduction is attributable to any of the following:

- (a) The voluntary departure, by retirement or otherwise, or departure for just cause, of special education or related services personnel.
- (b) A decrease in the enrollment of children with disabilities.
- (c) The termination of the obligation of the agency, consistent with this part, to provide a program of special education to a particular child with a disability that is an exceptionally costly program, as determined by the SEA, because the child—
 - (1) Has left the jurisdiction of the agency;
 - (2) Has reached the age at which the obligation of the agency to provide FAPE to the child has terminated; or
 - (3) No longer needs the program of special education.
- (d) The termination of costly expenditures for long-term purchases, such as acquiring equipment or constructing school facilities.
- (e) The assumption of cost by the high-cost fund operated by the SEA under [§ 300.704\(c\)](#).



How does taking the exceptions in § 300.204 affect the required amount of expenditures that an LEA must make in a subsequent year?

If an LEA properly takes the exceptions or the adjustment to reduce the level of local, or State and local, expenditures otherwise required in a fiscal year, **the LEA would be required in subsequent fiscal years to maintain effort at the reduced level** – except to the extent that the LEA increases the actual level of expenditures above the required level of expenditures for that fiscal year.

Additional information can be found in the [July 27, 2015, Issuance of Guidance](#) from ED.



Local MOE Requirement

- At the local level, IDEA requires that LEAs, as a condition of eligibility for Part B funds, submit a plan that provides assurances to the SEA that the LEA shall not use IDEA monies to reduce the level of expenditures from local funds for educating students with disabilities below the level of those expenditures for the preceding fiscal year (20 U.S.C. § 1413(a)(2)(A)(iii)).
- An SEA will find the LEA eligible for an award of Part B funds in a fiscal year based on this standard if the LEA budgets for the education of students with disabilities at least the same total or per capita amount as the LEA expended for that purpose from the same source(s) for the most recent prior fiscal year.
- The sources considered are local funds only or the combination of local funds and state funds (34 C.F.R. § 300.203(b)).
- The SEA may not consider any expenditure made from federal funds for which the SEA, or the LEA directly or through the SEA, is required to account to the federal government (34 C.F.R. § 300.203).



Permissible Reduction of Local MOE

The statute expressly permits an LEA to reduce its required local MOE if the reduction in expenditures is attributable to:

- The voluntary departure or departure for just cause of special education personnel;
- A decrease in enrollment of children with disabilities;
- An individual child with disabilities moves out, graduates, ages out, or no longer needs an exceptionally costly program;
- Termination of costly long-term purchases such as the acquisition of equipment or the construction of school facilities;
- The assumption of cost by the high-cost fund that may be operated by the SEA (20 U.S.C. § 1413(a)(2)(B); 34 C.F.R. § 300.204);
- An increase in the IDEA allocation from the previous year triggers the “50 percent” rule (20 U.S.C. § 1413(a)(2)(C); 34 C.F.R. § 300.205).

Final Evaluation

At the close of the fiscal year, the SEA will review reported data from the conditionally approved LEA to determine if MOE requirements have been met. The final comparison of actual expenditures occurs when Annual Report data are received from the LEA, compiled, and evaluated based on one of four tests:

1. At least the same total combination of local and state funds was expended as the LEA expended on special education in the previous fiscal year.
2. At least the same amounts of local funds were expended as the LEA expended on special education in the previous year.
3. At least the same student per capita amounts from local and state funds were expended as the LEA expended on special education in the previous fiscal year.
4. At least the same student per capita amounts from local funds were expended as the LEA expended on special education in the previous fiscal year.

The consequence of the LEA failing to meet the MOE Requirement

Under § 612(a)(11)(A)(i) of the IDEA, “the SEA is responsible for ensuring that... the requirements of this part are met,” including ensuring that LEAs receiving assistance under IDEA comply with all applicable requirements, including the local MOE.

- If an LEA fails to meet its MOE obligation, the SEA is required to pay the U.S. Department of Education an amount equal to the shortfall in the required local fiscal special education effort. In addition, the MOE level for that year will be reset to the higher amount that the LEA should have met.
- An SEA may not use IDEA funds nor reduce a current year IDEA subgrant as a means of resolving a prior year’s MOE violation by an LEA.
- If an LEA has a history of noncompliance with the MOE requirement, the SEA should “carefully determine whether the LEA will meet the MOE requirement in the coming year or whether the SEA should begin an administrative withholding action consistent with § 1413(c) and (d) because it is not convinced that the LEA will meet the MOE requirement for the new year” (OSEP letter to Baglin, 2006).





Oversight Strategies to Ensure Compliance with Federal and State Regulations

Government of Implementation

Requirements in Federal Statute and Law

Requirements outlined in federal statute

Examples:

- Title IX of the Education Amendments of 1972
- Federal Civil Rights Laws
- Section 504 of the Rehabilitation Act of 1973

State Statute and State Board Policy

Statutes and Rules that mirror federal statutes or programmatic requirements.

Examples:

- Title 49, Chapter 10, Part 1
- Tennessee State Board Rule Chapter 0520-01-03
- Tennessee State Board Rule Chapter 0520-01-09

LEA Policies and Procedures

For LEAs to ensure they are compliant with requirements, they must develop local policies and procedures.

Examples:

- Isolation and Restraint procedures
- IEP procedures
- Functional behavior assessment and behavior intervention plan procedures

Policies versus Procedures

- **Policies are a set of principles, guidelines, or rules that guide decisions and actions within an organization or government.**

- Policies provide a framework for consistent and fair decision-making, ensuring actions align with overall goals and objectives.
- Policies can be broad statements of intent or more specific procedures for handling particular situations.

- **Procedures are an established or official way of doing something.**

Key characteristics of a procedure:

- Step-by-step instructions: It breaks down a larger process into smaller, manageable actions.
- Task-oriented: The purpose is to show how to do something specific.
- Consistency: Following a procedure helps ensure tasks are performed the same way every time.
- Detail-oriented: Procedures provide the specific actions, resources, and sometimes tools needed to complete a task.

Ensure all staff are appropriately trained

In addition to training on all written procedures already discussed, what are some of the other areas/staff that require training?

- Annual training on Summary of Performance
- Accommodations and modifications: Ensure that special education professionals and paraprofessionals are provided professional development collaboratively with general education personnel. TSBE 0520-01-09-.09(j)
- Ensure that school administrators have professional development, training, and the resources to establish challenging expectations and provide access to the general education curriculum in the regular classroom to the maximum extent possible for all children, including those eligible for special education. TSBE 0520-01-09-.09(k)
- Operators and attendants of vehicles who provide special transportation shall be given special training regarding the needs and special requirements of children with disabilities, except when parents are transporting children with disabilities.



Time and Effort Documentation for Special Education

- When an LEA uses state and/or local funds for salaries included in the special education maintenance of effort (MOE) calculation (cost-sharing requirements), it must maintain time and effort documentation for those employees ([2 C.F.R. § 200.430\(g\)\(4\)](#)).
- To ensure compliance, LEAs should follow the same documentation requirements used for federal funds [2 C.F.R. § 200.430\(g\)\(1\)](#).
 - For employees working on a single cost objective, a semi-annual certification or similar documentation is appropriate.
 - For those working on multiple cost objectives, a personnel activity report (PAR) or similar documentation is appropriate.
- **Beginning with the 2025-26 school year, time and effort documentation that supports special education MOE will be monitored during the results-based monitoring process.**



Sub-fund Codes for IDEA Grants

Description	Subfund Range	Revenue Code	ALN
IDEA Discretionary - Access for All Learning Network (AALN) Preschool and K-8	890-899	47143	84.027A
IDEA Partnership for Systemic Change Preschool and K-12	890-899	47143	84.027A
Secondary Transition Indicator 14	890-899	47143	84.027A
Teaching all Students (TAS) Grant	890-899	47143	84.323A
IDEA, Part B	900-909	47143	84.027A
IDEA, Preschool	910-919	47145	84.173A





Resources & Questions

FPO Divisional Coordinator Map



West	
ESEA: Lynn Dotson IDEA: Janet Michelle Mansfield	
Alamo Arlington Bartlett Bells Benton Co. Bradford Chester Co. Crockett Co. Decatur Co. Dyer Co. Dyersburg City Fayette Co. Germantown Gibson Co. SD Hardeman Co. Hardin Co. Haywood Co. Henderson Co. Henry Co. Hollow Rock- Bruceton	Humboldt City Huntingdon SSD Lake Co. Lakeland Lauderdale Co. Lexington McKenzie McNairy Co. Milan Millington Obion Co. Paris SSD South Carroll SSD TN School Deaf (E) TN School Deaf (W) Trenton Union City University Schools Weakley Co. West Carroll SSD

Middle	
ESEA: Alisha Gilmore IDEA: Megan Mysinger	
Alvin C York Institute Bedford Co. Bledsoe Co. Cannon Co. Cheatham Co. Clay Co. Coffee Co. Cumberland Co. DeKalb Co. Dept. Children's Services Dept. of Correction Dickson Co. Fayetteville City Fentress Co. Franklin Co. Franklin SSD Giles Co. Hickman Co. Houston Co. Humphreys Co. Jackson Co. Lawrence Co.	Lebanon SSD Lewis Co. Lincoln Co. Macon Co. Manchester City Marshall Co. Moore Co. Overton Co. Perry Co. Pickett Co. Smith Co. Stewart Co. TN School for the Blind TN Pub. Chart. Sch. Com. Trousdale Co. Tullahoma City Van Buren Co. Warren Co. Wayne Co. White Co.

East	
ESEA: Henry LaFollette IDEA: Melanie Lamberson	
Alcoa Anderson Athens Bristol Campbell Co. Carter Co. Claiborne Co. Cleveland Clinton Cocke Co. Dayton City Elizabethton Etowah Grainger Co. Greene Co. Greenville Grundy Co. Hancock Co. Hawkins Co. Jefferson Co. Johnson City Johnson Co. Kingsport	Lenoir City Loudon Co. Marion Co. Maryville McMinn Co. Meigs Co. Monroe Co. Morgan Co. Newport Oak Ridge Oneida Polk Co. Rhea Co. Richard City Roane Co. Rogersville Scott Co. Sequatchie Co. Sullivan Co. Sweetwater Union Co. Union City Washington Co.

20 Districts with Largest Enrollment
ESEA: Heather Farley IDEA: Jamie Eldridge
Blount Co. Bradley Co. Collierville Davidson Co. (MNPS) Hamblen Co. Hamilton Co. Jackson-Madison Co. Knox Co. Maury Co. Montgomery Co. Murfreesboro City Putnam Co. Robertson Co. Rutherford Co. Sevier Co. Stelby Co. Sumner Co. Tipton Co. Williamson Co. Wilson Co.

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