

**DRAFT: Allowable Costs for Vermont State
Special Education Funding and IDEA B
Entitlement Grants**



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Allowable Special Education Expenditures

In order to streamline administrative processes, allowable costs for special education state funds follow the standards set by IDEA. State special education funding subject to these allowable cost rules include:

- (a) Census Block Grants
- (b) Extraordinary Special Education Expenditures Reimbursement
- (c) State-placed Special Education Reimbursement
- (d) Early Childhood Special Education (ECSE), also known as Essential Early Education (EEE)
- (e) Local funds attributed to “special education” according to the Vermont Schools Uniform Chart of Accounts (UCOA)

Allowable expenses under the Individuals with Disabilities Education Act Part B entitlement grant (IDEA-B), operationalized in Vermont as Revenue Codes, 4226 – IDEA-B Flow Through and 4228 – IDEA-B Pre-K Flow Through, are those considered in “excess” of general education costs. Only allowable costs may be charged to IDEA-B grants.

To determine whether a cost is an excess cost, Local Education Agencies (LEAs) and the Agency of Education (AOE) must answer the three following questions:

1. In the absence of special education needs, would this cost exist?

If the answer is...

- No, then the cost **is** an excess cost of providing special education and may be eligible.
- Yes, then the cost **is not** an excess cost of providing special education and is not allowed.

2. Is this cost generated by students without disabilities?

If the answer is...

- No, then the cost **is** an excess cost of providing special education and may be eligible.
- Yes, then the cost **is not** an excess cost of providing special education and it not allowed.

3. If it is a child-specific service, is the service documented on a student's IEP?

If the answer is...

- Yes, then the cost **is** an excess cost of providing special education and may be eligible.
- No, then the cost **is not** an excess cost of providing special education and is not allowed.

For a particular cost to be allowable, it must be necessary, allocable, and reasonable for proper and efficient performance and administration of the IDEA grant or program for which the LEA is being reimbursed. A cost is reasonable if it does not exceed what an LEA would normally incur in the absence of outside sources of funds. Additional guidance about standards for determining allowable costs is available from the federal Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ([2 CFR Part 200](#)).

Salary and benefits of any individual charged to a federal grant, including IDEA, must be supported by time and effort documentation that accurately reflects the work performed and supports the amounts claimed against the grant. "Standards for Documentation of Personnel Expenses" area established by the OMB ([2 CFR § 200.403\(i\)](#)). Salary and benefits of individuals charged to other State special education funding sources, must meet the same standards for time and effort documentation. More details and interpretations of the standards may be found [[Insert link to Time and Effort Documentations/Monitoring](#)].

The following table lists potential budget items or expenditures that may be charged to the IDEA-B Flow Through grant (Revenue Code 4226), the IDEA-B Pre-K Flow Through (Revenue Code 4228) grant, or the other state funding sources for special education mentioned previously. The list is not exhaustive, but includes those items that have continue to prompt additional discussion or guidance. For any specific guidance not found in this document, please direct for questions to the state special education director. Please note that items allowable under IDEA-B may not be budgeted for under coordinated early intervening services (CEIS), as these services are intended to serve children without disabilities who require additional supports. There is an additional section within this document that focuses solely on CEIS allowable expenditures.

Symbol Key

 - Allowable

 - Allowable, but only under certain circumstances

 - Not Allowable

Allowable?	Budget/Expenditure	Requirements/Additional Information/UCOA
 Not Allowable	ATTORNEY’S FEES – PARTY TO AN ACTION: Attorney fees for IDEA state complaints, due process hearings, representation at IEP Team meetings, facilitated IEP meetings, mediation sessions, or any student-specific consultation.	
 Sometimes Allowable	BUS PURCHASE, LEASE or RENTAL: Vehicle purchase or lease, insurance, repair, and maintenance.	
 Allowable	OCCUPATIONAL THERAPIST (OT) and OCCUPATIONAL THERAPY ASSISTANT: Salary and benefits of staff employed by an LEA or private vendor contracted staff.	

Permissive Use of Funds

This section will describe how to categorize and record a transaction that is considered a permissive use of funds but not a “special education” expenditure.

Allowable Expenditures for Coordinated Early Intervening Services (CEIS)

This section describes allowable expenditures for the delivery of coordinated, early intervening services (CEIS) for students in kindergarten (including four-year-old kindergarten) through grade 12 who are not currently identified as needing special education or related services but who need additional academic and behavioral support to succeed in a general education environment.

Generally, CEIS set-aside funds may be used for:

- Professional development for teachers and other school staff to enable them to deliver scientifically based academic instruction and behavioral interventions, including scientifically-based literacy instruction, and, if appropriate, instruction on the use of adaptive and instructional software;
- Providing educational and behavioral evaluations, services and supports, including scientifically-based literacy instruction.

Any LEA that uses up to 15% of IDEA Part B funds for coordinated early intervening services must annually report to the state education agency on:

- The number of students who receive CEIS, and
- The number of students who received early intervening services, who subsequently receive special education and related services within two years after receiving CEIS.

CEIS set-aside funds may be used to supplement but not supplant services aligned with and activities funded by and carried out under any federally funded project, most notably the Elementary and Secondary Education Act (ESEA) of 1965, which was most recently reauthorized by the Every Student Succeeds Act (ESSA), and includes Title I services [34 CFR 208 (a)].

Symbol Key

 - Allowable

 - Allowable, but only under certain circumstances

 - Not Allowable

Allowable?	Budget/Expenditure	Requirements/Additional Information/UCOA
 Sometimes Allowable	INSTRUCTIONAL MATERIALS: Definition here	
 Not Allowable	BUS PURCHASE, LEASE or RENTAL: Vehicle purchase or lease, insurance, repair, and maintenance.	
 Allowable	AFTER SHOOOL/SUMMER PROGRAMMING: Definition here	

Proportionate Share

Proportionate Share Allowable Cost Guidance here

Glossary

Define frequently used terms

Vermont extends its sincere gratitude to our colleagues at the Wisconsin Department of Public Instruction and at the Massachusetts Department of Elementary and Secondary Education from whom we borrowed extensively in creating this useful document.