



School Business Alert

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OF EDUCATION**

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**DIVISION OF SCHOOL FINANCE
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School Finance Bureau News

In June, we communicated that the School Finance Team was officially restructured as the Bureau of School Finance, Facilities, Operations and Transportation (FFOT) Services. The bureau consists of the original School Finance Team (Su McCurdy, Joyce Thomsen, Gary Schwartz, Janice Evans and Denise Ragias); the original School Transportation Team (Max Christensen, Owen Freese, Verlan Vos, and Mary Jo Clark); Jim Donoghue, Medicaid consultant; and Bill Roederer, special education finance consultant. Steve Crew, formerly special education finance, will be part of the restructured Division of Learning and Results and will no longer work with special education finance.

What does this mean for districts and AEAs and what can be expected for the future?

Previously, these goals for consolidating functions into a bureau were shared with the field:

- Increase coordination on these topics by pooling expertise and by creating a team that will support consistent policy implementation.
- Increase effectiveness of assistance to school districts by reducing variations in procedures used by special education finance and other finance areas within FFOT.
- Ensure that the process for the Special Education Supplement (SES) mirrors that of the Certified Annual Report (CAR).

During the time that Steve Crew was a part of special education finance, he worked diligently to simplify data collections, increase consistency with acceptable accounting practices, improve uniformity among districts in financial procedures such as special education billings, and to educate individuals on appropriate expenditures. The goal of the FFOT bureau is to continue these initiatives in addition to ensuring consistency with law, providing more written clarification and guidance, and increasing transparency.

We are interested in identifying any current issues that districts or AEAs may be having related to special education finance. We are asking that in the most general and inclusive way possible. If you have concerns or suggestions about certain aspects of special education finance, please feel invited to provide that feedback to Su McCurdy or to Jeff Berger. It would be helpful if you would also propose solutions to the issue(s), if you have ideas along those lines.

The responsibilities of each member of the bureau have been updated on the Department directories on the website: <http://www.educateiowa.gov> (Resources, Directories, DE Personnel Directories, DE Alphabetical Directory). Click on the name to view a list of those responsibilities.

Inside This Issue

- ◇ School Finance Bureau News
- ◇ Special Education Students and Concurrent Enrollment
- ◇ General Education vs. Special Education Costs
- ◇ Future Adjustments to the Special Education Claims Process
- ◇ Data Collections
 - ◆ Certified Annual Report
 - ◆ Special Education Supplement
 - ◆ Transportation Annual Report
 - ◆ Facilities, Elections and Sales Tax
 - ◆ School Level Expenditures
- ◇ Department of Education Preschool Staffing
- ◇ Regional Academy Application Reminder
- ◇ Data Collections (cont.)
 - ◆ Ed Jobs Reporting
 - ◆ School Association Reporting
 - ◆ SBRC Application
- ◇ Accessing FY 12 Financial Information
- ◇ Medicaid: Training

The September School
Leader Update can be
found at:

www.educateiowa.gov

Special Education Finance

Special Education Students and Concurrent Enrollment

Students with IEPs are eligible to take concurrent enrollment classes and those classes are eligible for supplementary weighting (SW) in the resident district, if those courses are not required/specified on the IEP. If the student is open enrolled to another district, that student is still eligible to enroll in the concurrent enrollment classes, and those classes are eligible for supplementary weighting. The pertinent Code and rule are below.

257.11(8) A pupil eligible for the [special education] weighting plan provided in section 256B.9 is not eligible for supplementary weighting pursuant to this section unless it is determined that the course generating the supplemental weighting has no relationship to the pupil's disability.

Chapter 17 of the Iowa Administrative Code discusses SW for concurrent enrollment under open enrollment:

17.10(8) A student under open enrollment (OE) is eligible to be counted for supplementary weighting pursuant to 281—subrule 97.2(5) for qualifying concurrent enrollment classes in which the student is enrolled, including concurrent enrollment classes provided via the Iowa Communications Network. An open enrolled student who is under competent private instruction (CPI) shall be weighted in the student's receiving district, and no tuition shall be billed to the resident district. An open enrolled student who is not under CPI shall be weighted in the resident district, and the funding shall be sent to the receiving district in addition to open enrollment tuition.

a. If the open enrolled student is present in the resident district on October 1 of the school year, the resident district shall count the student, excluding a student under CPI, for supplementary weighting.

b. The concurrent enrollment course must qualify for supplementary weighting in the receiving district pursuant to 281—subrule 97.2(5).

c. The resident district shall forward the weighting generated for the concurrent enrollment for that student using the district cost per pupil of the school year. The amount generated is calculated as the supplementary weighting full-time-equivalency for that one student for each qualified concurrent enrollment course multiplied by the current school year's district cost per pupil in the resident district.

d. The receiving district shall pay the community college the tuition negotiated for the course. The tuition negotiated may cost the receiving district a different amount than that received from the resident district. No additional amount may be charged to the resident district, the student, or the parent, guardian, or legal custodian.

e. If the student was not present in the resident district on October 1 of the school year and is a late transfer, the receiving district bears all the tuition cost and shall not bill the resident district in the first year pursuant to subrule 17.10(7).

Some things need to be noted on a student with an IEP.

- The billed amount for the SW is NOT actual costs. It is based on SW generated using current year district cost per pupil.
- It is a general education cost, not a special education cost. This means it will not be in the tuition-in-billing program nor on the CAR-SES. This is because the revenue for the SW tuition will not be on the CAR-SES as a revenue either.
- Instead, this student will be on the same billing with all other general education students that are open enrolled and are taking concurrent enrollment classes.
- If the resident district did not get this student on its October 1 count for SW and the student was eligible, then that district still pays the SW tuition due and gives the information to its auditor for an auditor adjustment.
- SW for concurrent enrollment and limited English proficient weighting are both funding streams that follow OE students and are funds generated above the district cost per pupil and special education weights in the resident districts. This means that those costs are not part of the general program expenditure reported on the CAR-SES.

If you have additional questions, contact Su McCurdy at su.mccurdy@iowa.gov or 515.281.4738.

General Education vs. Special Education Costs

All students are general education students first, even students with IEPs. A student who receives special education is a general education student who happens to have an IEP and is served pursuant to that IEP. Having the IEP does not limit the student in other opportunities or programs for which she/he would be qualified.

For example, a student with an IEP, could also be a student identified as gifted and talented, or a student identified as at-risk, or a student identified as a returning or potential dropout, or a student that is an English language learner, or a student enrolled in a concurrent enrollment course. It is even theoretically possible that a student could be identified for all of these programs. Each of these programs has its own funding streams.

So what does this mean to the School Business Official (SBO)?

It means that the SBO needs to analyze costs to ensure that each type of services is coded in the accounting records to the correct funding stream.

- If the services are listed on the IEP, those services are coded to the special education weighted funding or federal Part B, as appropriate.
- If the TAG services are eligible to be paid from TAG pursuant to rules, and are not on the IEP, those costs would be coded to TAG the same as they would be for any other general education student.
- If the services are eligible to be paid from the at-risk supplementary weighting pursuant to rules, and are not on the IEP, those costs would be coded to at-risk supplementary weighting the same as they would be for any other general education student.
- If the services are eligible to be paid from the returning dropout and dropout prevention program pursuant to rules, and are not on the IEP, those costs would be coded to the returning dropout and dropout prevention program the same as they would be for any other general education student.
- If the LEP services are eligible to be paid from LEP weightings pursuant to rules, and are not on the IEP, those costs would be coded to LEP weighting the same as they would be for any other general education student.
- If the concurrent enrollment courses are not on the IEP, those costs would be paid from the general fund the same as they would be for any other general education student.

If you have additional questions, contact Su McCurdy at su.mccurdy@iowa.gov or 515.281.4738.

Future Adjustments to the Special Education Claims Process

In an effort to improve and streamline the process that manages claims submitted for Special Education Foster Care, Special Education Nonpublic School Students, and Special Education Termination situations, the Department will make adjustments to the process and future deadlines. These changes are prompted by the realization that parts of these processes have not complied with law for several years.

The first situation in need of correction is that Iowa Code 282.20 compels districts to bill one another for any special education tuition issues by February 15 and June 15 of each year. This has not occurred consistently. The Department is willing to entertain a request to the legislature for more time on this deadline, perhaps adjusting this to July 1 or July 15, but the statute also requires districts to submit these claims to the Department by August 1. Some districts have not tended to these deadlines, and in future years, the deadline for DE submission will be firmly enforced. The recourse for missing this deadline will be to cover the expense locally, which becomes an issue for property taxes.

The second situation in need of correction is that we've allowed the submission of claims for a prior fiscal year in the subsequent fiscal year. This is not appropriate. Adjustments will be made to the programs managing these claims to prevent claims from a prior fiscal year to be submitted in the next fiscal year. Because we are announcing this adjustment now, this change will go into effect with the reporting of FY13 claims. If you have FY12 claims that did not get submitted timely through the Tuition-In-Billing application and are still outstanding, please notify Joyce Thomsen via email (joyce.thomsen@iowa.gov) by October 30, 2012, including all the information necessary to pay the claim.

For further questions, please contact Jeff Berger at 515.281.3968 or jeff.berger@iowa.gov.

Data Collections

Certified Annual Report (CAR) – Due September 17, 2012

All districts should be working in the CAR-2012 Upload and Reports application. The CAR – 2012 COA Test Records application should only be used to test individual accounts. The file DOES NOT need to be edit free to switch to the CAR – 2012 Upload and Reports Application. We are happy to see that many districts are working on this and many have already resolved any questions they have. Due to the extensive number of emails and phone calls we receive as the deadline nears, we may switch to an email only system of correspondence the last day or two prior to the deadline, so we are able to answer questions in the order received.

The Certify button for the CAR will appear once the district has “complete” on the certification screen for both the Chart of Account and the Nonprofit School Organizations report. Instructions for the CAR are at http://educateiowa.gov/index.php?option=com_content&task=view&id=1621&Itemid=2408, which define the criteria for the Nonprofit School Organizations report. If the criteria do not apply to a district, the district must still hit the update button within the report.

Extensions are available for good cause such as illness or death of the staff member responsible for the filing, acts of God, or unforeseeable circumstances. Please refer to the CAR instructions for more information about extension requests and the CAR deadline. These requests will only be taken through September 13.

Questions regarding the CAR upload and/or account coding may be directed to: denise.ragias@iowa.gov or 515.281.4741 for assistance with the uploads, reports, and extensions; janice.evans@iowa.gov or 515.281.4740 for assistance with account codes and journal entries.

Special Education Supplement – Due September 17

The Special Education Supplement main page was the only screen available until August 15. We have a new Special Education Finance Consultant, Bill Roederer, that will be available for questions. Any questions related to the Special Education Supplement should be sent to SES@iowa.gov. Contact: Bill Roederer, bill.roederer@iowa.gov or 515.281.7972.

Transportation Annual Report – Due September 17

When completing the annual school transportation report, the collection process for the data has been simplified in a number of ways by pulling financial information into the report from a number of other data sources. The two things that the district must still fill in manually are the number of miles and the student count. A word of caution, however, when filling out the information for the student count. We still incorporate the process of using aggregate weeks in determining the average number of students riding the school buses. The number put into the “aggregate weeks” column will be the total number of weeks for each individual rider in the group – not the total number of weeks for the riders as a group. As an example, if buses ran for 36 weeks and 10 students rode the buses; out of those ten students, eight of them rode at least once during each of the 36 weeks while one of them only rode once each of 18 weeks and one only rode once during one week all year. You would have eight students multiplied by 36 weeks, one student multiplied by 18 weeks, and one student multiplied by one week, for a total of 307 aggregate weeks. After entering 307 into the “aggregate weeks” column, the report will then determine the average number of riders. For more information, contact Max Christensen at max.christensen@iowa.gov or 515.281.4749.

Facilities, Elections and Sales Tax – Due October 1

Instructions for this data collection are at: http://educateiowa.gov/index.php?option=com_content&view=article&id=1742%3Adata-collection&catid=66%3Aschool-facilities&Itemid=2302. Any questions regarding this report should be directed to gary.schwartz@iowa.gov, 515.281.4743.

School Level Expenditures (Civil Rights Reporting)

This application will be available to school districts to determine needed information for the Civil Rights Report, which will be reported by the district directly to the federal government. Use of this program will provide information consistent with the CAR and is highly recommended in completing the Civil Rights Report. Helpful information for determining how the total is computed can be found at: http://educateiowa.gov/index.php?option=com_content&task=view&id=1621&Itemid=2408. Any questions regarding this report should be directed to Denise.Ragias@iowa.gov, 515.281.4741.

...Continued on page 6

Department of Education Preschool Staffing

Iowa Code 256C.5(4) grants the Department of Education (DE) an amount paid off the top of the school district preschool state aid for state administration and oversight of the preschool program. This allocation is necessary for the continued implementation and monitoring of the program. Prior to FY 11, the Department has not accessed this provision as it had a specific appropriation for this purpose. That specific appropriation for the purpose ended in FY11. The Department began utilizing this Code provision with FY 11 and is continuing for FY 12.

This is an on-behalf payment. The district will record the amount as preschool revenue with an equal amount recorded as a preschool expenditure. The amount is \$33.33 per preschool budget enrollment. The deduction for the on-behalf payment will be spread throughout the ten state aid payments, September through June. This is a reduction to cash flow (state aid) sent directly to the district, but does not result in general fund spending authority in excess of state aid received because it is recorded by the district as both an on-behalf revenue and expenditure. The on-behalf revenue will be recorded in source & project 3117, program 860, and the expenditure in an equal amount will be recorded in a function between 2334 and 2339, program 860, project 3117, object 31X.

Please contact Jeff Berger at jeff.berger@iowa.gov or 515.281.3968 with additional questions or concerns.

Regional Academy Application Reminder

HF 645 (2011 legislative session) amended language related to regional academies that became effective on July 1, 2012.

- Student access to a regional academy has been expanded from grades 9-12 to grades 7-12.
- Multiple school districts sending students to the regional academy is still required.
- The types of partners working with the regional academy has expanded.
- And the purpose of a regional academy has been further defined: to build a culture of innovation for students and community, to diversify educational and economic opportunities by engaging in learning experiences that involve students in complex, real-world projects, and to develop regional or global innovation networks.

The Legislature requires that districts apply to the Department to establish a regional academy under the new criteria. The application must be approved by the Department prior to the host district requesting supplementary weighting on October 1. The approval is required of those regional academies that existed prior to July 1, 2012, as well as those established on or after July 1. The application form is posted on the Department's website at:

http://educateiowa.gov/index.php?option=com_content&view=article&id=1628&Itemid=2987. The application includes an opportunity for a district that hosts a regional academy to request a waiver or modification to any statutory or regulatory program provisions applicable to school districts. The plan must meet the criteria included in Iowa Code 261E.9.

All districts participating in a regional academy shall enter into an agreement on how the funding generated by the supplementary weighting received by both the sending and the hosting districts shall be used. That agreement shall be submitted to the Department of Education for approval by October 1, 2012, if the districts already have an approved regional academy application. Otherwise, this funding agreement is required to be included with any new application for a regional academy submitted to the Department for approval, which was due September 1, 2012.

Iowa Code also requires that the School Budget Review Committee (SBRC) review supplementary weighting and certify such to the Department of Management. The SBRC will handle the requests for supplementary weighting in early December 2012.

Send the application and the funding sharing agreement form to Su McCurdy, administrative consultant, no later than September 1 of the fiscal year in which the district/s intend to request supplementary weighting on October 1 for either sending students to the regional academy or for hosting the regional academy. Attach a copy of the funding sharing agreement and a copy of each participating district's board minutes showing approval of the agreement. Please send the entire packet of participating and host district materials in the same mailing.

Please note that no district submitted an application for approval for a regional academy for the school year 2012-2013, which technically means that no district would be eligible for supplementary weighting for hosting a regional academy. If your district intended to submit an application, but forgot to do so by September 1, 2012, for this first year under the new legislation, contact Su McCurdy immediately to submit your packet.

Contact: Su McCurdy, su.mccurdy@iowa.gov or 515.281.4738.

...Continued from page 4

Ed Jobs Reporting – Quarter Ending Sept. 30, 2012

For those of you that are still receiving an Ed Jobs quarterly report because you are still expending Ed Jobs funds, we will again issue one last report for the quarter ending September 30, 2012. On this report, you must list the grant as 100 percent expended and final. You would still have until the end of December to actually liquidate the funds in the account. But all of this fund activity must have been attached to activities that occurred on or before September 30. For most of you, this will be the end of your quarterly reporting under ARRA and Ed Jobs! Thanks and let me know if you have questions or concerns. Contact jeff.berger@iowa.gov or 515.281.3968.

School Association Reporting – Due November 15

Districts must complete this FY12 report after their CAR is certified. The report will be available to districts no later than September 17. Instructions for this report are at http://educateiowa.gov/index.php?option=com_content&task=view&id=1621&Itemid=2408. Any questions regarding this report should be directed to: denise.raqias@iowa.gov or 515.281.4741.

School Budget Review Committee (SBRC) Application

The SBRC application will be pre-populated from data reported by districts in EASIER student records and will be found at www.edinfo.state.ia.us as usual. The district cannot complete the SBRC application until it has finished verifying its EASIER/PEACE report; however, the form is available to browse. When the EASIER/PEACE is complete, the district may file its SBRC application which is due no later than December 1. There is no additional work for the district except to determine how much modified allowable growth it wants, if any, and to certify the form. The application form includes increased enrollment (257.31(5)"a"), open enrollment out not on the prior year's count (282.18(9)"e"), and costs for providing limited English proficient programs beyond the four years of weightings (257.31(5)"j"). Completing the application and requesting modified allowable growth is entirely optional to the district. The instructions to the form are on the web at http://educateiowa.gov/index.php?option=com_content&task=view&id=1624&Itemid=2419. Contact Joyce Thomsen at joyce.thomsen@iowa.gov or 515.242.5612.

Accessing FY 12 Financial Information

Be reminded that your local auditors can access all FY12 financial payment information from the Department simply by going to the EdInfo site (edinfo.state.ia.us), typing in FY12 in the login, then on the next page type in the name of the school district in the box "Enter Headquarter Number or Name" and click "go". If a payment does not appear on that list, it was a distribution of funds that was not managed by the Department of Education.

If you are not receiving the automated email notifying you of a deposit of funds, or if you want others in your district to receive those notices, please contact Jeff Berger at jeff.berger@iowa.gov or 515.281.3968.

Medicaid: Training

The second *Training* session for the 2012-2013 school year is scheduled for Wednesday, September 12 from 9:00 a.m. to 10:00 a.m. You do not have to register for this. This session will be recorded and the link to the recording will be posted. This session will include staff from Iowa Medicaid Enterprise Provider Enrollment who will demonstrate Iowa Medicaid Portal Access for Medical Billing Remittance and Provider Re-Enrollment. To join the meeting go to: <http://iowa.adobeconnect.com/medicaidpt2/>

Adobe Connect Medicaid trainings are also scheduled for October and November. These are for LEA and AEA staff that provide services in or manage their agency's Medicaid program and each will cover updates and reminders. Questions can be submitted before the session to Jim Donoghue or during the session through the webinar, and will be answered in or after the session.

If you have further questions, please contact Jim Donoghue at jim.donoghue@iowa.gov or 515.281.8505.

Upcoming Deadlines	
Date by Which Student Must be School Age for Certified Enrollment	9-15-12
CAR & SES Due	9-17-12
Annual Transportation Report Due	9-17-12
Board Resolutions to Study Reorganization Due	10-1-12
Empowerment (ECI) Payment Schedule	10-1-12
Facilities, Elections and Sales Tax Report	10-1-12
Nonpublic Certified Enrollment Count Due	10-15-12
Nonpublic Textbook Services Request	10-15-12
Operation Function Sharing	10-15-12