

# Twenty Questions

## MASBO Winter Conference

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## Question #1

- **Can you explain the correct Uniform Financial and Reporting Standards (UFARS) Coding and Electronic Data Reporting System (EDRS) reporting for Third Party Billings (revenue) so that EDRS and UFARS comparison report reconciles? When do we use Funding Source Code 'j' and 'i' ?**

## Response #1

- Remember all expenditures with Third Party Revenue are recorded on UFARS with Finance Dimension 372. Remember districts must invoice third party revenue if eligible services are available for eligible students.
- Receipt Revenues with:
  - 071 Medical Assistance (MA) Revenue
  - 072 Private Insurance Revenue
- Expenditures are authorized by Minn. Stat. § 125A.21 Subd. 3:
  - Cost of billing
  - Training and technical assistance
  - Benefit of students with special needs

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## Response #1 (continued)

- If the expenditure is eligible for state special education regular program aid then the expenditure should be entered on EDRS with 'j' or 'i' (salaries, contracted services or supplies and equipment)

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## Question #2

- **How can I maximize my revenue with third party receipts?**

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## Response #2

- There are two thoughts on how to maximize the revenue:
  - Use these funds after paying for the cost of invoicing third parties to pay non-reimbursable costs such as benefits.  
(Beware of Maintenance of Effort (MOE!))
  - Example – pay for speech/language benefits
    - Coding for UFARS Charge-back
    - 01-XXX-401-372-295-000

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## Response #2 (continued)

- Use these funds to pay for reimbursable services such as eligible salaries where the district will receive special education regular program aid. (Beware of MOE!)
- Example: paying for a one-to-one paraprofessional
- Coding on UFARS:
  - 01-XXX-411-372-162-000

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## Question #3

- **One more time, explain the three tiers of the 50% MOE reduction as every time I think I get it, it is lost somewhere to senior moments.**

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## Response #3

### HANDOUT 1

Please turn to the back of the packet for the handout titled “Three Tiers of Funds Are Involved with the 50% MOE Reduction” to illustrate the three tiers.

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## Question #4

- **I would like more information on Handicapped Kindergarten (HK) students and how they are weighted differently than regular kindergarten students. Please tell me the correct way to report regular membership hours and special education service hours.**

## Response #4

- **Pupil Unit Weighting Factors**
- Grade
  - EC\* 1.250
  - HK 1.000
  - K\* \* .612 (irrespective of schedule)
  - 1 – 3 1.115
  - 4 – 6 1.060
  - 7 – 12 1.300

\*Early Childhood (EC), \*\*Kindergarten (K)

- Source MARSS Appendix M

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## Response #4 (continued)

- Basic rule of thumb for Early Childhood Special Education (ECSE)/HK hours:
  - Membership is the “kid’s” time; the time the student is in the learning environment, such as preschool and if required by the Individualized Education Program/Individual Family Service Plan (IEP/IFSP), the time in a community integrated program for which the district pays tuition.

## Response #4 (continued)

- Special Education Service Hours (SESH) are the hours that the licensed adult provides services such as a teacher, Occupational Therapist (OT), Physical Therapist (PT), Speech Language Therapist, etc. It does not include the time of a paraprofessional.
- Service hours can exceed membership hours.

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## Question #5

- **For ECSE students – for non-residents who are evaluated in my district, how do these get reported on Minnesota Automated Reporting Student System (MARSS) so that the district receives the proper reimbursement?**

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## Response #5

- A student is not eligible to be open enrolled in another district until the student has been determined eligible through the evaluation procedures and an IEP is written.
- The resident district is responsible for the identification of EC students.
- If a non-resident district is requested to do the evaluation, then that district must contact the resident district for permission.

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## Response #5 (continued)

- If the resident district agrees, then the non-resident district will have a purchase of service for the evaluation and IEP procedures. The non-resident district will invoice the resident district for the cost with appropriate information so the resident district may enter the information on MARSS for the general education revenue and enter the purchase of service with service code “u” on EDRS for state Special Education program aid.

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## Response #5 (continued)

### HANDOUT 2

Please turn to the back of the packet for the handout titled “Purchase of Services” to illustrate the requirements.

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## Question #6

- **Do I really have to do a personnel activity report (PAR) for the staff who are on UFARS Course Code 633 (50% MOE reduction)?**

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## Response #6

- The latest guidance the Minnesota Department of Education (MDE) has received from the US Department of Education on American Recovery and Reinvestment Act (ARRA) funding indicated that if the expenditure is for Elementary Secondary Education Act (ESEA) Title VIII-Impact Aid, then no PAR will be required. MDE has not received any guidance concerning other ESEA Titles.

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## Question #7

- **We are paying a cooperative for PT services that were purchased from a medical center; is that coded differently?**

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## Response #7

- YES - If paying with **federal funds**
- The cooperative will use object codes 301 and 302 to reimburse the member district. The member district will use UFARS Object Code 371 (first \$25,000) and Object Code 341 (over \$25,000) to pay the cooperative with the UFARS Finance Code 600 series.

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## Response #7 (continued)

- Yes – If paying with **state or local funds**
- The member district is using UFARS Finance Dimension 740, then the member district will use UFARS Object Code 399 to pay the cooperative and enter the expenditure on EDRS with the appropriate personnel type code under Service p – Purchase of Contracted Service. (See attachment relating to purchased service.)

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## Question #8

- **How do we, a member district, code an Orientation/Mobility Specialist when the cooperative holds the contract?**

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## Response #8

- Member district if paying with federal special education funds would use Object Code 303/304 with the appropriate UFARS Finance Dimension 600 Series.
- The Cooperative would use Finance 400 series Object 173.
- If member district is paying with UFARS Finance 740 then it would be Object Code 396/397
- The cooperative would use Finance 000 Object 173.

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## Question #9

- **How much does a district lose if a student is not reported on the December 1 child count as receiving special education services?**

## Response #9

- If the district has an effective year that equals the count error, it will negatively impact the district's allocation. How much will depend and the district needs to view the report, "FY XX-XX Special Education Federal Basic Allocation Calculation." This report is on MDE's Website under Minnesota Funding Reports – Special Education.
- It is in the neighborhood of \$600/student.
- Best advise: Verify your December 1 Child Count!

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## Question #10

- **When a student open enrolls and requires special transportation, which district must transport and how is this funded?**

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## Response #10

- The serving district is responsible for the transportation of the student as required by the IEP even if it means going outside the enrolling district.
- The MARSS record needs to reflect the special education transportation by entering Transportation Category 03.

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## Response #10 (continued)

- The resident district is responsible for the excess costs of transportation and it is invoiced by a membership hour rate through the tuition billing system.

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## Question #11

- **How much state funding does a district receive for special transportation?**

## Response #11

- This is the formula for calculation of special education aid for transportation:

Expenditure for Finance 723

X 100%

Special Education Regular Program Aid

X State-wide Adjustment Factor (see line 11)

X Proration Factor (see line 16)

See “Special Education Revenue Report” – lines 11 and 16

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## Question #12

- **It would be nice to have something that shows what types of expenditures ‘federal’ special education dollars will reimburse verses what ‘state’ will reimburse. I want to know how to get the most bang for my district’s dollars.**

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## Response #12

### HANDOUT 3

Please turn to the back of the packet for the handout titled “Eligible Expenditures” for a listing.

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## Question #13

- **How much state special education revenue does a district receive for each student?**

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## Response #13

- There is no per student amount for state special education regular program aid. The state aid is paid on a formula basis for eligible expenditures – see question #12.

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## Question #14

- **When we use 50% MOE reduction federal dollars will it affect the Special Education tuition rates or our billing to the Department of Human Services (DHS) for IEP-MA funds?**

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## Response #14

- Yes – Federal funds (UFARS Finance Dimension 400/600 series) for tuition and IEP-MA (UFARS Finance Dimension 372) funds are excluded from the tuition billing system as there is no excess or unreimbursed costs.
- The federal funds for IEP-MA staff and benefits are included in the data provided to DHS for the calculation of the rates.

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## Question #15

- **Can we submit claims to the Department of Human Services for IEP-MA funds for staff paid for with federal funds?**

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## Response #15

- No. Minnesota Statute 125A.21, Subd. 1  
“...A school district shall pay the nonfederal share of medical assistance services provided according to section 256B.0625, subdivision 26. Eligible expenditures must not be made from federal funds or funds used to match other federal funds...”

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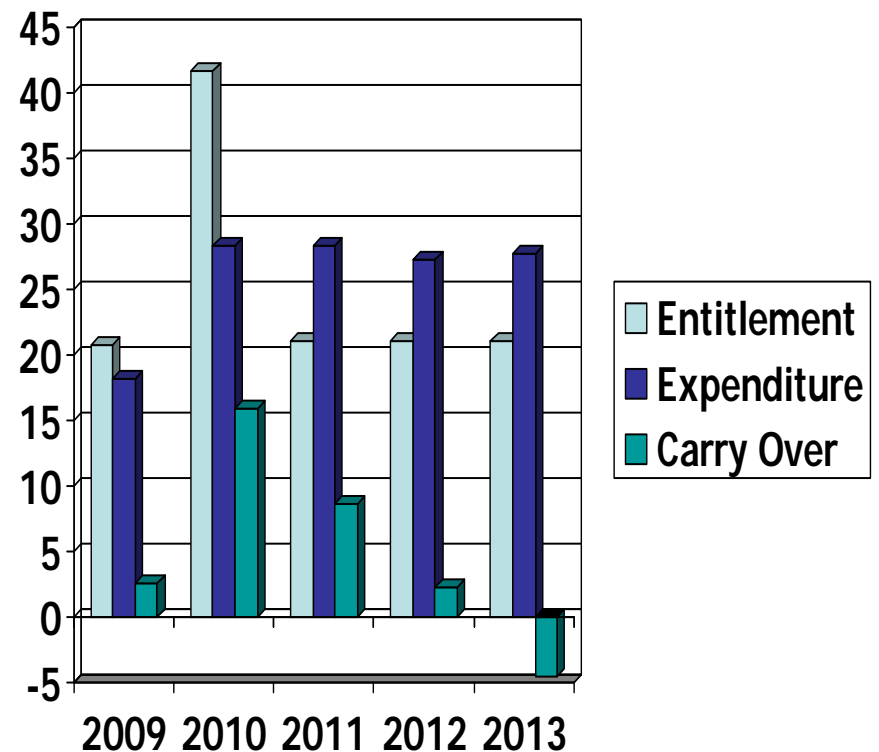
## Question #16

- **Is there really a “financial cliff” for special education in FY 2012 or 2013 because of the ARRA funds?**

## Response #16

**WARNING !**  
Plan Ahead!!!

Avoid the financial cliff in FY 2012  
or FY 2013



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## Question #17

- **I have heard that substitutes are now eligible for state special education regular program aid. Is this true? If so what are the requirements?**

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## Response #17

- Yes, substitutes are eligible if appropriately licensed (professional) or trained (paraprofessional).
- Enter on EDRS as Personnel Type Code (PTC) 23 for teachers, PTC 58 for paraprofessionals and the regular personnel type code for other appropriate substitutes such as interpreters (PTC 28).

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## Response #17 (continued)

- Teachers
- Coding of an eligible LD Substitute (appropriately licensed in LD)
  - 01-XXX-407-740-145-000
- Coding of an ineligible LD Substitute (not appropriately licensed in LD)
  - 01-XXX-400-000-145-000

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## Response #17 (continued)

- Paraprofessionals
- Coding of an eligible EBD Paraprofessional Substitute – meets district certification standards
  - 01-XXX-408-740-146-000
- Coding of an ineligible EBD Paraprofessional Substitute – does not meet district certification standards
  - 01-XXX-400-000-146-000

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## Response #17 (continued)

- Other Personnel – examples
  - Speech Language substitute – appropriately licensed
    - 01-XXX-401-740-152-000
  - Licensed Nursing Service – appropriately licensed by Dept. of Health
    - 01-XXX-410-740-155-000

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## Question #18

- **Will districts be permitted to pay for non-reimbursable tuition costs with federal funds in State Fiscal Year (SFY) 2011 and later?**

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## Response #18

- At the time of this presentation, the response is yes, and the procedures for SFY 2010 and 2011 using State Educational Record View and Submission (SERVS) Financial have not been finalized.

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## Question #19

- **What are the procedures when we have a one-to-one professional/contracted service for a non-resident student? What about equipment for a non-resident student?**

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## Response #19

- The district will need to complete the Form ED-02424-04 “Uniform Tuition Billing One-to-One Professional Services” and send to MDE and the resident district’s director of special education.
- The data and expenditure for the one-to-one needs to be entered on a single line on EDRS without any other services to other students – residents or non-residents.

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## Question #20

- **What should I be doing now with the tuition invoice information from the last FY 2010 calculations?**

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## Response #20

- This is a great time to start matching your tuition notifications to the students:
  - Non-resident students you are serving to make sure that you have sent notifications.
  - Resident students served elsewhere are really your students and you have a notification from the serving district.
  - Now is a great time to settle disputes about residency – not in the summer when so many are on vacation.

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