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To: Business Managers, Directors of Special Education, SEDRA Contacts

From: Division of School Finance, Special Education Funding

Special Education Staff Assigned to Other Work Areas

The governor signed executive order 20-82 on Thursday, July 30, 2020, and under paragraph 38 it states the following:

Upon approval by the Executive Council, for Fiscal Year 2021 only, expenses for special education staff assigned to other work during distance learning or hybrid learning implemented pursuant to paragraphs 4, 5, or 6, and expenses recorded in the food service fund, may be charged to the same Uniform Financial Accounting and Reporting Standards (UFARS) codes to which the service is charged for an instructional day. The commissioner must notify districts and charter schools of these formula changes as soon as practicable.

The intent of the governor's order was to allow for flexibility of Special Education (SpEd) staffing use. In that, staff funded with state special education dollars who are assigned to non-special education work can continue to be paid with state special education funds when the school is operating in distance learning or hybrid model only. It would not apply if the school was doing full in-person instruction. The order only covers staff, as contractors were left out of the order. There was nothing in the executive order around contractors, so only actual SpEd services provided can be charged to SpEd. Schools should not continue to pay contractors based on estimated costs, but actual services provided. To provide additional clarity, the term "contractors" means agreements between schools and private businesses. When schools contract with other MN schools it is referred to as a purchase of service and the personnel are treated like the school's own staff.

The Minnesota Department of Education (MDE) has reached out to the Office of Special Education Programs (OSEP) about this order and how it could affect maintenance of effort (MOE). OSEP responded by saying, that to the extent practicable, expenditures for special education staff reassigned to other work areas should be tracked separately and not included in the local educational agency (LEA) MOE calculation. These costs would be no different than alternative delivery of specialized instructional services (ADSIS), which is part of the state SpEd aid appropriation and calculation, but are pulled out when computing LEA MOE, since those services are not being provided as part of an individualized education plan (IEP).

To track these expenditures, MDE has created a new personnel type code (PTC) in the Special Education Data Reporting System (SEDRA):

- PTC "21" – Salaries for Special Education staff reassigned during distant learning or hybrid models (only to be used in state fiscal year (SFY) 21).

This new PTC will only be allowed under funding codes “A” and “E” with service codes “A” and “U.” Schools will not need to make any changes to staff coding in their UFARS system. Staff calendars, time sheets, personal activity reports or similar support, will be required to support how staff were allocated in SEDRA during the year-end reconciliation process for SFY 21.

Besides staff salaries, fringe benefits will also need to be recoded in SEDRA for time spent outside of working with students with disabilities. MDE has created a new service code:

- Service code “9” – Fringe Benefits for Special Education staff reassigned during distant learning or hybrid models (only to be used in SFY 21).

Again, schools will not have to make any changes to their UFARS reporting. They will have to split their SEDRA state fringe benefit reporting between funding code “a” with service code “L” and this new service code “9” to account for the time staff were reassigned.

Special education staff reassigned to other work during distant learning or hybrid models may not be charged to any federal special education fund nor could this time be charged to Medical Assistance (MA), finance 372.

ADSIS staff reassigned to other work areas when an LEA is operating either a distant or hybrid learning model is allowed. There is no additional SEDRA coding requirements since ADSIS programming costs are not included in the MOE calculations. Staff still need to keep track of their time spent working in all areas, but time spent working outside their approved ADSIS program is still eligible for funding.

MDE encourages schools to be mindful of their MOE for SFY 21, as moving a lot of staff/paraprofessionals to help in other capacities could directly affect an LEA’s MOE and cause them to still either have to spend more on SpEd programming in other areas or possibly face losing general education revenue. The feds have not provided any waivers or safe harbors for LEAs with regards to MOE. The state also has no authority to waive the LEA MOE requirement for any reason.

If you have any questions, send an email to the [Special Education Funding and Data Team](#).