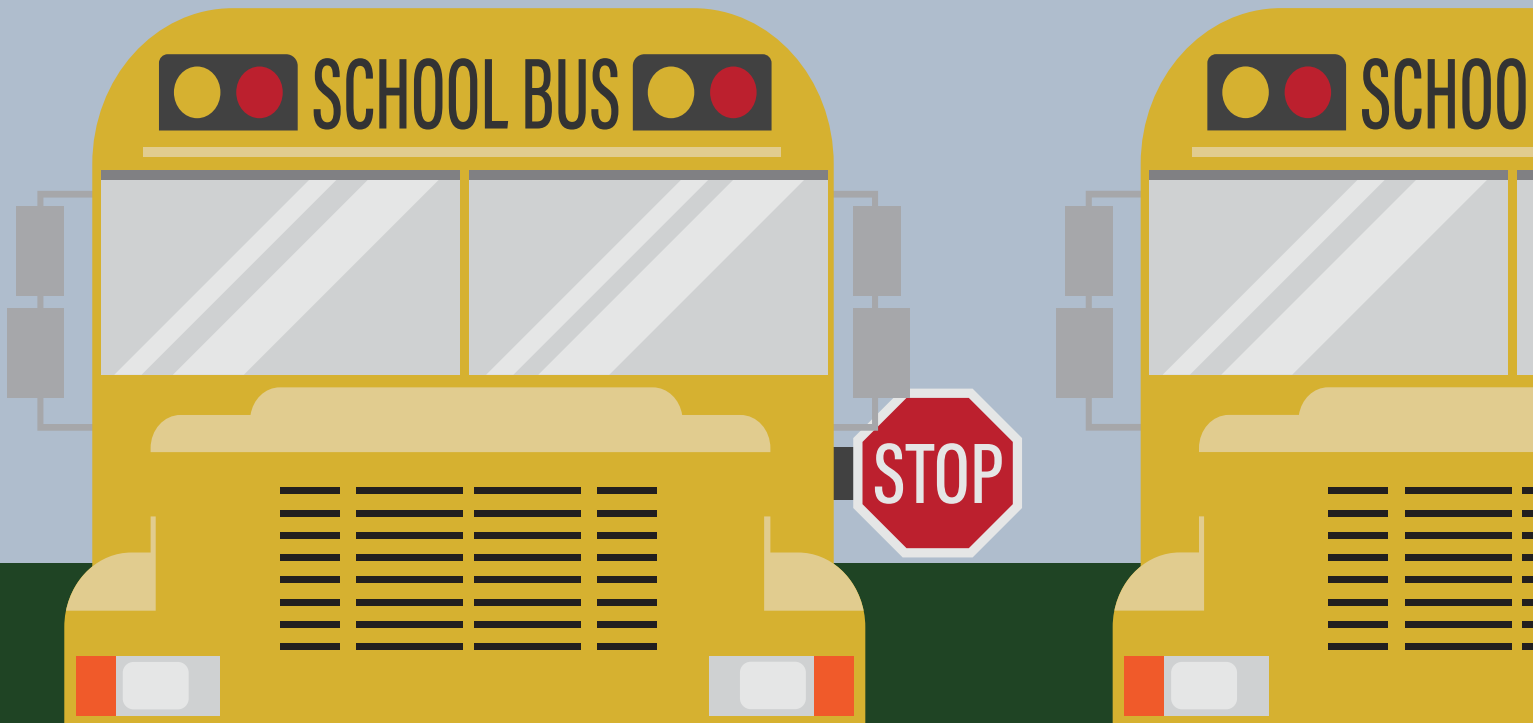


OHIO AUDITOR OF STATE  
KEITH FABER



Brookfield, Liberty, & Mathews  
Local School Districts

# Shared Services Feasibility Study

November 8, 2019

OHIO AUDITOR OF STATE  
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OHIO AUDITOR OF STATE  
**KEITH FABER**



A Message from the Auditor:

I am pleased to present this shared-services study to the residents of Trumbull County. This study was conducted using funds from the Leverage for Efficiency, Accountability, and Performance (LEAP) program and was provided at no cost to the three participating school districts.

Ohio has thousands of local government entities, which has the benefit of keeping government close to the people and responsible to their needs. But this means there can be duplication of effort, facilities, equipment and resources.

Liberty Local, Matthews Local, and Brookfield Local School Districts came together to ask the Ohio Performance Team to review their operations to discover opportunities to share services and reduce costs.

This study identifies several areas where the partnering Districts could combine efforts and increase efficiency. Specifically, opportunities are highlighted in the areas of transportation, special education, food services, and administration.

While this study is tailored to the needs of the partner Districts in Trumbull County, shared services can be of use in all communities where government and citizens are looking for innovative ways to reduce costs and maintain services.

Sincerely,

A handwritten signature in cursive script that reads 'Keith Faber'.

Keith Faber  
Auditor of State  
November 13, 2019

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# Executive Summary

## Feasibility Study Authority and Purpose

Liberty Local School District (LLSD), Brookfield Local School District (BLSD), and Mathews Local School District (MLSD) requested this feasibility study from the Ohio Auditor of State (AOS) using the Leverage for Efficiency, Accountability, and Performance (LEAP) program. AOS is authorized under Ohio Revised Code (ORC) § 117.473 to conduct shared services feasibility studies at the request of State agencies and local government offices in order to identify opportunities to combine resources and deliver services more economically, efficiently and effectively. The Ohio Performance Team (OPT) has extensive experience in evaluating State and local government management and operations, and is uniquely qualified to perform this study.

This study analyzes school district operations in the areas of regular student transportation, special education transportation, special education services, food service, and administration to determine if shared services would yield savings and improved efficiency. BLSD, LLSD, and MLSD are co-participants in the study and the respective Boards of Education have passed resolutions in support of the engagement. Throughout this study the three districts will be referred to collectively as the Study Collaborative.

## Time Period for Study

This study sought to determine the current state of each entity based primarily on data from fiscal years ending (FYE) 2018 and 2019. However, where necessary and appropriate, this study also examined operational data from prior fiscal years (FYE 2015 through FYE 2017) to illustrate historical trends and patterns.

## Objectives, Scope, and Methodology

The objective of this engagement was to analyze selected operations in the participating districts and compare them to similar operations, industry standards, and leading practices. These comparative analyses were conducted to identify opportunities for sharing services to increase economy, efficiency, and effectiveness. The project examined the feasibility of sharing staff, resources, services, and facilities among the project partners in the areas of regular student transportation, special education transportation, special education services, food service and administration. This included an analysis of the current state of operations as well as alternative scenarios to incorporate shared service arrangements. Where possible and appropriate, the potential financial implications of alternative approaches were quantified.

To complete this study, the authors gathered data and interviewed individuals involved in relevant district operations. Information and conclusions were shared regularly with each school district and responses from each district were taken into consideration throughout the process.

The Auditor of State and study staff express their appreciation to the elected officials, management, and employees of each district for their cooperation and assistance throughout this study.

## Data-Driven Decision Making

Making decisions that are based on verifiable data leads to efficiency, and the success of the data-driven approach depends upon the quality of the data collected and how it is analyzed and interpreted. One of the objectives of this study was to provide each district with a current state view of their operations based on relevant data. The analytical methods used in this report can be used by each school district to inform all related decision-making and are not limited to decisions about shared services.

To complete this study, the author developed and employed a methodology to extrapolate data in order to determine shared service feasibility; however, there are limitations in the data. For example, Education Management Information System (EMIS)<sup>1</sup> reporting guidelines leave open to interpretation how individual data elements are reported by school districts. For example, one district may report an operations supervisor as an administrator, while another may choose to report a comparable position within the general coding levels of a specific operational area. . As a result, certain assumptions had to be made. As part of those assumptions, the report uses a conservative approach in determining feasibility by taking into account the full range of current-state performance, then targeting a mid-range implementation strategy to ensure adequate capacity. In reality, post-implementation performance among the participating districts could reasonably be expected to exceed the projections contained in this report.

The data used in this study came from district records provided by the participants for each respective area of operation. In addition, the study utilized data reported by the districts to EMIS and to various offices within the Ohio Department of Education (ODE). While the study confirmed the reliability and validity of Study Collaborative data, differences may exist in how data gets coded in EMIS by districts outside the Collaborative.

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<sup>1</sup> The Education Management Information System (EMIS) is a statewide data collection system for Ohio's primary and secondary education, including demographic information, attendance, course information, financial data, and test results. ODE provides the EMIS Manual as a uniform and consistent source of reporting instructions for EMIS data in accordance with Ohio Revised Code Section 3301.0714. Included in the Manual are data definitions, requirements, and reporting procedures to assist districts with the submission, review, validation, and correction of data.

## Study Outcomes

The table that follows provides a brief summary of the conclusions reached in this shared service feasibility study and the related financial implications. It should be noted that while the study focused on shared service opportunities in all three districts comprising the Study Collaborative, the conclusions are scalable. In other words, if only two of the three districts decided to proceed with a particular shared service, the absence of the third district would not preclude implementation. Reduced involvement could, however, impact net savings in the participating districts.

**Summary of Conclusions**

Scope Element	Conclusions	Potential Financial Benefits
<b>Regular student transportation; Special Education Transportation</b>	Consider combing transportation operations; reducing the spare bus fleet; consolidating maintenance services; review of special education transportation contracts, and in some cases, transition to in-house services.	\$578,000
<b>Special Education Services</b>	Consider sharing the services of a special education coordinator; consider sharing classroom services when appropriate.	N/A
<b>Food Service</b>	Consider contracting with private vendors to provide food services.	\$60,000
<b>Administration</b>	Consider sharing key administrative positions.	\$380,000



# Background

The school districts in this study are facing a number of economic challenges. Primary among these challenges is a steady decline in enrollment since FY 2015 coupled with rising expenditures that have outpaced revenue growth. Finally, a major General Motors automotive assembly plant closed in 2019 and is expected to have a significant economic impact on the region. As a result, all three districts project operating deficits beginning in FY 2020 in their respective May 2019 Five-Year Financial Forecasts as submitted to the Department of Education. Further, two of the three districts have recently been in fiscal emergency – Liberty from 2011 to 2014 and Brookfield from 2013 to 2018.

Operating deficits occur when operating expenditures exceed operating revenues in any year. While positive year-end cash balances may offset operating deficits, the deficits are an indication of fiscal instability.

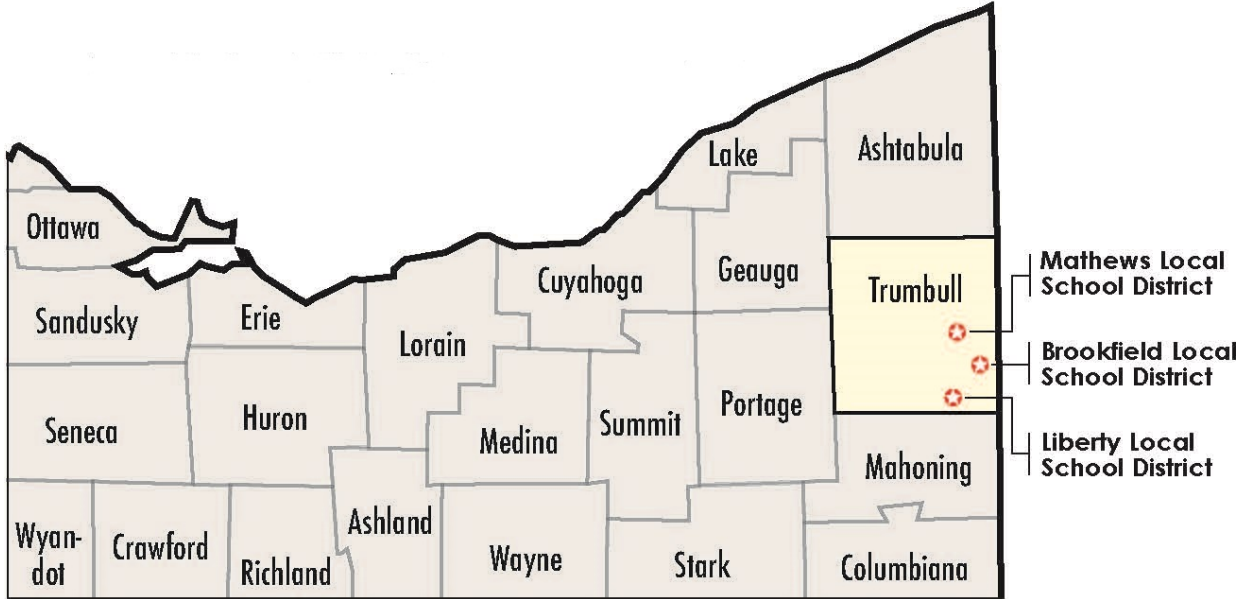
BLSD projects operating deficits of \$181,482 and \$172,322 in FYE 2020 and FYE 2023, respectively. LLSB projects an operating deficit of \$383,847 in FYE 2020 which increases to \$3,323,239 in FYE 2023. Finally, MLSD projects an operating deficit of \$155,372 in FYE 2020 which increases to \$2,601,516 in FYE 2023.

This problem is not unique to the Study Collaborative. In 2012, a report to the Governor and General Assembly entitled *Beyond Boundaries: A Shared Services Action Plan for Ohio Schools and Governments* noted that “Ohio’s schools and governments have reached a critical juncture. Service expectations continue to grow and costs are rising faster than the economy. Our school systems and government entities must find ways to reduce costs and improve efficiency. The status quo simply can’t continue. Shared services provide hope.”

# Geographical Location

Map 1 shows the location of the school districts involved in this study.

Map 1: Study Collaborative School Districts



As shown on **Map 1**, all three districts are located contiguously in southeastern Trumbull County. The close geographic proximity of BLSD, LLSD and MLSD makes them ideally positioned for this study, as relative location is a key factor when determining whether shared services are feasible.

## The Need for Shared Services

According to *Beyond Boundaries: A Shared Services Action Plan for Ohio Schools and Governments* (Governor’s Office of 21st Century Education the Office of Budget and Management, 2012), “The size and fragmented nature of Ohio’s governmental structure [including schools] creates inherent inefficiencies in service delivery to citizens and back-office functions.” Ohio has over 600 traditional school districts, and with a few notable exceptions, each has its own administrative staff, transportation system, special education services and food services. This duplication of staff, services and facilities further illustrates the fragmentation referenced above.

Several authors speak to the issue of optimal size when addressing the issue of school district costs. Duncombe, Miner and Ruggiero (*Potential Cost Savings from School District Consolidation: A Case Study of New York*, Economics of Education Review, Vol. 14, No.3, 1995, pp 265-84), use data from a cross section of 610 New York school districts to analyze per pupil

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costs. They observe that costs decline as enrollment increases, reaching a minimum at an enrollment of 6,500. While this study was not designed to address school district consolidation, the implementation of shared services puts some of these concepts into practice. As resources are shared, more students are served and many of the costs associated with duplicated staffing, services and facilities decline, while the benefits of economy of scale become more relevant.

Following delivery of the *Beyond Boundaries* report in 2012, the Ohio Legislature began to take action to facilitate the sharing of services. In response to the report, and to encourage a different way of thinking by local governments, Ohio Revised Code Section 9.482 was enacted to allow any political subdivision to enter into an agreement with any other political subdivision to provide a service (See **Appendix B**). “*Shared services* is a collaborative strategy designed to optimize public resources – including staff, equipment and facilities – across jurisdictions” *Beyond Boundaries: A Shared Services Action Plan for Ohio Schools and Governments* (Governor’s Office of 21st Century Education the Office of Budget and Management, 2012). There are numerous examples in school districts across Ohio that point to its demonstrated success and many are cited in this study.

# Transportation Services

During the 2017-18 school year, BLSD, LLSD and MLSD each independently operated their respective transportation systems. Each district employed either a full-time or a part-time transportation coordinator, and bus mechanic. Each district also operated a dedicated bus storage and maintenance facility.

Each year, the Ohio Department of Education Pupil Transportation Office calculates efficiency targets to assist school districts in meeting management goals. The calculation factors in a number of variables such as square miles, riders per bus, and riders per square mile to arrive at a target per bus ridership number. An efficiency ratio is then determined by dividing actual ridership by the target figure. The higher the ratio, the greater the calculated efficiency of the respective bus fleet.

The Study Collaborative districts all achieved efficiency ratios of 1, indicating that their bus fleets were transporting a number of students consistent with their respective target ridership. However, it is important to note that while ridership efficiency in the Collaborative districts is in alignment with ODE expectations, opportunity may still exist for improved performance as the ODE efficiency ratios range from 0 to 3.

**Table 1** presents key transportation operating indicators for the three participating districts.

**Table 1: FYE 2018 Transportation Service Operating Indicators**

District	Area (sq. mi.)	Reg. Riders	Active Buses	Spare Buses	Riders/ sq. mi.	Riders/ bus	Total Daily Miles	Daily Miles /bus
Brookfield Local	25	580	11	3	23.20	53	528	48
Liberty Local	19	980	13	6	51.58	75	674	52
Mathews Local	49	387	7	4	7.90	55	689	98
<b>COMBINED TOTAL</b>	<b>93</b>	<b>1,947</b>	<b>31</b>	<b>13</b>	<b>20.93</b>	<b>63</b>	<b>1,891</b>	<b>61</b>

Source: District T-1 Reports

As shown in **Table 1**, the Study Collaborative utilized its combined fleet of 31 active buses and 13 spare buses to transport 1,947 regular riders in FYE 2018 across a geographic area of 93 square miles. Collectively, this resulted in a combined average ridership of 63 students per bus and a combined average ridership density of approximately 21 students per square mile.

According to the Ohio Department of Education Pupil Transportation Office, “The ultimate goal in pupil transportation logistics is to transport as many students as possible with as little cost as possible, in other words, with a high degree of efficiency” *Pupil Transportation Efficiency Targets* (Ohio Department of Education (ODE), 2009). Many factors can impact transportation efficiency, such as effective routing, district size, and ridership density; however, per-bus ridership is always a key indicator of fleet efficiency.

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**Table 1** shows that LLSD serves the smallest geographic area with the highest ridership density as measured by the number of riders per square mile. LLSD also transports the highest average number of riders per bus, which should result in greater efficiency and lower costs.

**Table 2** shows FYE 2018 transportation expenditure details for each of the participating districts.

**Table 2: FYE 2018 Transportation Expenditures**

Personnel Costs			
	Brookfield	Liberty	Mathews
Personal Services - Salaries & Wages	\$187,403	\$292,177	\$149,165
Employees' Retirement & Insurance Benefits	\$76,165	\$241,337	\$50,732
<b>Sub-Total</b>	<b>\$263,568</b>	<b>\$533,514</b>	<b>\$199,897</b>
Non-Personnel Costs			
Purchased Services	\$57,558	\$147,599	\$32,267
Supplies & Materials	\$95,262	\$122,432	\$61,743
Capital Outlay	\$112,231	\$0	\$0
Other Objects	\$12,022	\$0	\$10,157
<b>Sub-Total</b>	<b>\$277,073</b>	<b>\$270,031</b>	<b>\$104,167</b>
<b>Total Expenditures</b>	<b>\$540,641</b>	<b>\$803,545</b>	<b>\$304,064</b>

Source: District T-2 reports

As shown in **Table 2**, expenditures generally track with fleet size, with LLSD having the highest costs, followed by BLSD and MLSD. However, further analysis reveals that these expenditures do not necessarily correlate directly with fleet efficiency.

**Table 3** shows both total expenditures and maintenance expenditures on a per bus and per rider basis.

**Table 3: FYE 2018 Average Per Bus and Per Rider Costs**

	Brookfield	Liberty	Mathews	Combined Total
Buses in Fleet	14	19	11	<b>44</b>
Regular Students Transported	580	980	387	<b>1,947</b>
Total Transportation Expenditures	\$ 540,641	\$ 803,545	\$ 304,064	<b>\$ 1,648,250</b>
Average Total Cost per Bus	\$ 38,617	\$ 42,292	\$ 27,642	<b>\$ 37,460</b>
Average Total Cost per Rider	\$ 932	\$ 820	\$ 786	<b>\$ 847</b>
Maintenance Expenditures	\$ 105,178	\$ 196,324	\$ 58,159	<b>\$ 359,661</b>
<b>Average Maintenance Cost per Bus</b>	<b>\$ 7,513</b>	<b>\$ 10,333</b>	<b>\$ 5,287</b>	<b>\$ 8,174</b>
<b>Average Maintenance Cost per Rider</b>	<b>\$ 181</b>	<b>\$ 200</b>	<b>\$ 150</b>	<b>\$ 185</b>

Source: District T-1 and T-2 Reports

While LLSD had the highest overall ridership per bus and the lowest average total cost per rider, **Table 3** reveals that its average total cost per bus was 8.7 percent higher than BLSD and 21.7

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percent higher than MLSD. This was due primarily to the fact that LLSD’s maintenance costs per bus were 27.3 percent and 69.3 percent higher than BLSD and MLSD, respectively.

## Leading Shared Service Examples

Since the implementation of ORC 9.482, a number of school districts have entered into agreements for shared transportation services. The Barberton City School District has contracted with the Norton City School District to provide bus maintenance services. Similarly, the Batavia Local School District and the Williamsburg Local School District have agreed to share a common bus garage and mechanics (OSBA Journal, June 2013). More recently, the Brooklyn City School District has contracted with the Parma City School Districts to provide all transportation services (<https://www.cleveland.com/brooklyn/index.ssf/2018/05> ).

In eastern Ohio, 20 school districts, a board of developmental disabilities, 4 educational service centers, and 2 information technology centers have joined forces to establish the Ohio Shared Services Collaborative. The goals of the collaborative include:

- streamlining fleet inventory to reduce costs;
- reconfiguring bus routes, bus stops, parking and maintenance facilities to optimize efficiencies within and across school districts;
- improving student safety and bus capacity determination using RFID technology;
- developing an on-line, multi-district transportation database to facilitate student scheduling and cross-district communication; and
- maintaining each district’s local decision-making control, while working in a shared services model (<http://www.ohiossc.org>).

Savings to date are encouraging, with 25 percent of the Ohio Shared Services Collaborative districts projecting savings that range from \$242,000 to \$376,000. As more districts come on line, the consortium hopes to exceed its goal of generating more than \$4 million in total savings (<http://www.schoolbusfleet.com/article/717464>).

The Ohio Shared Services Collaborative has developed a software tool called Routes and Riders designed to streamline transportation services among the districts in the Collaborative. They have made that software available to other districts by having the superintendent use the following link to request access (<https://goo.gl/forms/IKCOBZoGARfjmKzh2>), or by contacting the Noble Local School District superintendent. Finally, the Collaborative is open to new member districts.

Ohio is not unique in encouraging political subdivisions to explore shared service opportunities. The New York State Education Department’s website cites the following as practices that foster economy and efficiency ([http://www.p12.nysed.gov/schoolbus/TransDirector/htm/economical\\_practices.htm](http://www.p12.nysed.gov/schoolbus/TransDirector/htm/economical_practices.htm) ):

- Multiple tripping of buses – schedule buses so that each bus can make two or more trips each morning and afternoon;

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- Cooperative transportation – consider options that may exist in their part of the state for sharing transportation services;
- Full utilization of buses – bus assignments and routes should be designed to ensure that buses are fully loaded; and
- Efficient location of bus stops – while ensuring pupil safety, maximize the distance between bus stops.

## Active Bus Fleet Analysis

The following analyses provide an assessment of the feasibility of sharing transportation services between BLSD, LLSD and MLSD. To complete the assessment, data from the three districts was aggregated to reflect a single entity, the Study Collaborative, rather than three separate entities. A group of districts of comparable geographic size and with similar rider densities was also identified to allow comparative analyses of key operational indicators. Because geographic area and rider density are key factors influencing the ability to increase per bus ridership, care was taken to ensure the comparison group comprised districts that are similar with respect to these variables. The combined area served by BLSD, LLSD and MLSD is 93 square miles. Comparison districts with geographic areas ranging from 89 to 102 square miles were selected to mitigate the potential effect of widely disparate service areas. Statewide, school district geographic area ranges from 1 square mile to 546 square miles. The combined area of the Study Collaborative would place it at 466 out of 614 districts, indicating that while the area would be much larger than any of the individual districts, it would not be one of the largest districts served in the state.

Generally, per bus ridership is a function of rider density and districts with higher rider density tend to have higher per bus ridership<sup>2</sup>. This trend was evident in **Table 1**. For that reason, comparison districts with rider densities less than or equal to the combined density of the Study Collaborative (21 riders per square mile) were selected to help ensure reasonable comparisons. The resulting comparison group comprised 15 school districts with service areas ranging from 89 to 102 square miles and with rider densities ranging from 6 to 16 riders per square mile.

**Table 4** shows key transportation operating indicators for the 5 comparison districts described above.

**Table 4: Comparable District Transportation Operating Indicators**

IRN	District	Area (sq. mi.)	Reg. Riders	Active Buses	Spare Buses	Riders/sq. mi.	Riders/bus	Total Daily Miles	Daily Miles /bus
050575	Northwestern Local	92	731	11	6	8	66	1,148	104

<sup>2</sup> While rider density is a good predictor of per bus ridership, it can also be affected by factors such as route tiers and bell schedules.

050724	Otsego Local	102	1,239	12	6	12	103	1,427	119
046441	Southern Local	100	769	10	7	8	77	5,424	524
050591	Triway Local	97	1,214	19	6	13	64	1,596	84
047746	Western Reserve Local	91	708	9	4	8	79	1,043	116
<b>Comparable District Total</b>		<b>482</b>	<b>4,661</b>	<b>61</b>	<b>29</b>	<b>48</b>	<b>389</b>	<b>10,638</b>	<b>947</b>
<b>Comparable District Average</b>		<b>96</b>	<b>932</b>	<b>12</b>	<b>6</b>	<b>10</b>	<b>78</b>	<b>2,128</b>	<b>189</b>

Source: District T-1 Reports  
Note: All data rounded to nearest whole number.

As shown in **Table 4**, the 5 districts selected for comparison had an average service area of 96 square miles and transported an average of 932 regular riders. The average rider density was 10 students per square mile and the average ridership was 78 students per bus.

**Table 5** compares the Study Collaborative operating indicators to those in the comparison Districts.

**Table 5: Comparable District Operating Indicators Comparison**

	Area (sq. mi.)	Reg. Riders	Active Buses	Spare Buses	Riders/ sq. mi.	Riders/ bus	Total Daily Miles	Daily Miles /bus
Study Collaborative	93	1947	31	13	21	62.8	1891	61
Comparison Districts	96	932	12	6	10	77.7	2128	177
<b>Difference</b>	<b>(3)</b>	<b>1015</b>	<b>19</b>	<b>7</b>	<b>11</b>	<b>(14.9)</b>	<b>(237)</b>	<b>(116)</b>

Source: District T-1 Reports  
Note: All data rounded to nearest whole number.

If the Study Collaborative opted to combine transportation operations and share services, the comparisons in **Table 5** suggest that opportunities exist to reduce the overall fleet size, and thereby reduce expenditures. The Study Collaborative districts currently transport nearly 15 fewer pupils per bus and travel an average of 116 fewer daily miles per bus. Further, the Study Collaborative districts have a total of 6 school drop-off locations while the comparison districts have a total of 16. If average per bus ridership could be increased by 14.9 students to the comparison district average of 77.7, the Study Collaborative could eliminate up to 6 buses from its fleet.

Logically, the Study Collaborative would elect to eliminate the oldest and/or most costly buses from the combined fleet. Doing so could potentially reduce the active fleet to 25 active buses and save the group up to \$224,000 annually in operating and maintenance costs, depending on the number of buses eliminated. This a conservative estimate based on the current average cost per bus of \$37,460. If the fleet is reduced in size, it is reasonable to assume that current maintenance



costs per bus would be lower because the more costly buses would have been eliminated, resulting in lower average operating costs for the remaining fleet.

## Spare Bus Fleet Analysis

As noted above, the Study Collaborative maintained a combined spare bus fleet of 13 buses in FYE 2018. These spare buses are included in the calculations of total cost per bus and average maintenance cost per bus. They are not included in the riders per bus calculation.<sup>3</sup>

The Federal Transit Administration (FTA) has established a spare bus to active bus ratio standard of 20 percent in transit fleets. Transit fleets tend to be operational for longer periods of time each day and travel more miles per day than school bus fleets. As a result, the 20 percent standard is a conservative or upper end ratio for purposes of this analysis. The Ohio Department of Education concurs with the 20 percent ratio for spare buses.

**Table 6** compares the Study Collaborative’s spare bus ratio to the FTA/ODE standard.

**Table 6: Spare Bus Ratio Comparison**

Current State			
	Active Buses	Spare Buses	Percent Spares
Study Collaborative	31	13	42%
FTA/ODE Standard	N/A	N/A	20%
Percent Spares Difference			22%
Calculated Spare Bus Need at 20% Benchmark			6
Spare Bus Reduction			7
Future State (After Active Bus Reductions)			
	Active Buses	Spare Buses	Percent Spares
Study Collaborative	25	13	42%
FTA/ODE Standard	N/A	N/A	20%
Percent Spares Difference			22%
Calculated Spare Bus Need at 20% Benchmark			5
Spare Bus Reduction			8

**Source:** District T-1 reports; Federal Transit Administration; ODE

The Study Collaborative’s spare bus utilization is more than double the standard set by the FTA and ODE. A reduction in the spare bus fleet to the more conservative level of 20 percent recommended by the FTA and ODE would result in the elimination of up to 7 spare buses based on the current configuration of its fleet. However, the actual spare bus fleet reduction would be dependent on actions taken to reduce the active bus fleet. If the Study Collaborative was able to reduce its combined bus fleet as proposed in **Table 4**, it could reduce 8 spare buses. In an article

<sup>3</sup> Spare buses typically receive less maintenance than active buses. Therefore, the cost per bus ratio of strictly active buses is likely higher, and as a result, so would any associated savings from eliminating active buses.

posted on schoolbusfleet.com, Calie Calabrese Shakleford states that used school buses typically sell for \$3,000 to \$7,000, depending on condition (<https://www.schoolbusfleet.com/article/610459/how-and-when-to-buy-a-used-school-bus>). The Study Collaborative districts could realize one-time revenue of approximately \$70,000, assuming the 6 active and 8 spare buses eliminated from the fleet could each be sold for \$5,000, which is the middle of the range reported by Shakleford. The elimination of 8 spare buses would result in annual savings of approximately \$69,000 based on current average per bus maintenance and insurance costs.

## Bus Maintenance

Currently, each district in the Study Collaborative operates its own bus maintenance garage. BLSD’s garage has two heated and fully enclosed maintenance bays located on the same site as its bus storage facilities. BLSD employs one full-time mechanic and with the exception of major repairs and warranty work, all repairs are done on-site.

LLSD utilizes 2 of 4 available maintenance bays for bus repairs at its bus storage and maintenance facility. The district employs one full-time mechanic who performs all work on- site, with the exception of major repairs.

MLSD utilizes a bus maintenance garage comprising two enclosed and heated bays. MLSD employs one part-time mechanic (3.75 hours per day) who performs minor repair and maintenance work, while the majority of all bus maintenance and repair work is contracted to local vendors.

**Table 7** provides bus maintenance performance indicators for the districts comprising the Study Collaborative.

**Table 7: FYE 2018 Bus Maintenance Performance Indicators**

District	No. of Buses <sup>2</sup>	Average Fleet Age <sup>2</sup>	FTE Mechanics	Maintenance Costs	Maint. Cost per Bus	No. Buses per Mechanic
Brookfield	14	8.6 yrs.	1.0	\$105,178	\$7,513	14
Liberty	19	13.6 yrs.	1.0	\$196,324	\$10,333	19
Mathews <sup>1</sup>	11	8.8 yrs.	0.5	\$ 58,159	\$5,287	22
<b>Total</b>	44	10.9 yrs.	2.5	\$359,661	\$8,174	17.6

Source: District T-1 and T-2 Reports; ODE SAFE bus inventory  
<sup>1</sup>MLSD contracts with outside vendors for a majority of its bus repair work.  
<sup>2</sup>Includes spare buses.

It is clear from the indicators in **Table 7** that there is a significant variance from district to district, both in overall maintenance costs and in maintenance costs per bus. These costs are often driven by two key variables – the age of the fleet and the number of daily miles driven per bus. The

average age of LLSD’s fleet is 13.6 years, which is approximately 5 years older than either BLSD or MLSD, whose fleet average 8.6 and 8.8 years, respectively.

As expected, the higher average age of LLSD’s fleet has contributed to significantly higher maintenance costs. In fact, LLSD’s maintenance costs per bus are 37.5 percent higher than those in BLSD and 95.4 percent higher than those in MLSD. While distance traveled may also be a factor contributing to maintenance costs, LLSD buses travel approximately the same number of miles per day as those in BLSD and only slightly more than half the daily miles traveled by buses in MLSD. As a result, it is reasonable to conclude that fleet age is a major contributing factor to bus maintenance costs.

The Study Collaborative districts employ a total of 2.5 full-time equivalent mechanics to maintain the current combined fleet of 44 buses. None of the three districts maintain bus repair records with sufficient detail to determine the number of labor hours for each repair transaction. Further, conversations with district personnel revealed that the mechanics perform a variety of other duties in addition to bus repairs. Those additional duties include substitute bus driver, repairs to other non-bus vehicles and equipment, and assisting with building maintenance and repairs.

In *How to Calculate Technician-to-Vehicle Ratios* ([www.government-fleet.com/146908/how-to-calculate-technician-to-vehicle-ratios](http://www.government-fleet.com/146908/how-to-calculate-technician-to-vehicle-ratios)), work load factors are examined for a variety of fleet types. The author concludes that for school bus fleets, a ratio of 20 to 30 buses per technician provides a good preliminary staffing estimate, and that a more refined estimate would necessitate the determination of Maintenance and Repair Units (MRUs) using historical repair and labor hour records.

Based on the aforementioned Government Fleet staffing ratio, two full-time mechanics would be sufficient to complete repairs of the current fleet with sufficient time remaining to accommodate any non-bus related duties. Elimination of the part-time (0.5 FTE) position would result in annual savings of \$15,000 in salary and benefits.

The Study Collaborative also employs a total of 2.0 FTE transportation supervisors – 1.0 FTE at LLSD and 0.5 FTE each at BLSD and MLSD. In FYE 2018, these individuals supervised a combined active fleet of 31 buses, or an average of 15.5 buses per FTE. If the districts decide to share transportation services and reduce the active fleet to 25 buses, each supervisor would oversee an average of 12.5 buses per FTE.

By comparison, a group of 15 similarly-sized districts employ a combined total of 13.5 FTE supervisors who oversee a total of 231 active buses, or an average of 17 buses per FTE. These ratios suggest that with a combined active fleet of 25 buses, the Study Collaborative could reduce supervisory staffing to 1.5 FTE to more closely reflect the staffing level in the comparison group. This reduction would represent annual savings of \$35,000 in salary and benefit costs based on the current average compensation.

## Conclusion

The feasibility of sharing bus transportation and maintenance services would be enhanced if those services were coordinated from a single location. As noted previously, LLSD currently utilizes two active service bays. With minimal modifications (e.g., the addition of air lines, grease guns, etc.), two additional repair bays could be made operational. Further, LLSD has adequate paved surface space for overnight storage of either the combined spare bus fleet or the entire combined fleet. Depending on how many buses are eliminated from the combined fleet, there may be adequate space to store a majority of the active fleet indoors at LLSD. Consolidating bus storage at LLSD would eliminate the need for BLSD to replace its bus storage facility, resulting in a cost avoidance of approximately \$150,000.

There are a number of advantages associated with conducting shared transportation services from a single location. Those advantages include the following:

- Elimination of the need to operate and maintain three bus storage and repair facilities along with the associated operating costs.
- Elimination of the need to replace aging facilities.
- Reduction in staffing requirements to more appropriately reflect the needs of a smaller bus fleet.
- Reduction in the time required to move empty buses to and from the central repair garage.

## Future Considerations

If the Study Collaborative districts opt to consolidate transportation operations, the following items would require further consideration:

- When reducing fleet size and deciding which buses to retire, the districts should identify a process for ensuring that each bears a fair share of any costs and benefits.
- Since the consolidated fleet will serve a larger geographic area, routing simulations should be developed to optimize factors such as ride time and bus capacity utilization.

Implementation will represent a change in working conditions for the affected staff. As a result, modification to the collective bargaining agreements will be necessary.

# Special Education Transportation

The Study Collaborative transports a majority of its special needs students on regular education buses. They are picked up at regular stops and are transported with other students on those routes. As a result, the costs associated with transporting special needs students on regular routes are included with those for regular students on the Districts’ T-2 Reports. Further, for FYE 2018, none of the districts reported operating any dedicated special education buses.

While the districts did not operate any special education buses in FYE 2018, they did contract with the Trumbull County Educational Service Center (TCESC) to transport students with more severe needs to special education units operated by TCESC. In FYE 2019, LLSLD assumed responsibility for transporting a number of its special education students formerly transported by TCESC. **Table 8** shows the number of students transported and the associated costs, by district, for FYE 2018 and FYE 2019 and illustrates the impact of the change in LLSLD.

**Table 8: Contracted Busing of Special Needs Students**

	FYE 2018			FYE 2019		
	Students Transported	Cost	Avg. Cost per Student	Students Transported	Cost <sup>1</sup>	Avg. Cost per Student
Brookfield	14	\$173,674	\$12,405	21	\$175,000	\$8,333
Liberty	33	\$236,367	\$8,678	18	\$160,380	\$8,910
Mathews	8	\$83,124	\$10,391	6	\$80,000	\$15,000
<b>Total</b>	<b>55</b>	<b>\$493,165</b>	<b>\$8,966</b>	<b>45</b>	<b>\$415,380</b>	<b>\$9,231</b>

Source: BLSLD, LLSLD, and MLSD.

<sup>1</sup> FYE 2019 costs are based on district projections.

**Table 8** illustrates that the average cost to transport special needs students to TCESC classrooms under the existing contract is significantly higher in comparison to the cost to transport special needs students on regular district buses. In fact, the average cost per student in FYE 2018 for this mode of transportation was \$8,966, or \$8,119 greater than the Collaborative Group average cost per student of \$847 to transport students on regular district buses, including special education students eligible to ride the regular district buses. A portion of these higher costs are attributable to the additional staffing needed on the dedicated special needs buses and to the door-to-door nature of the services provided to these students. However, even when the cost of an aide and additional miles are factored in, they do not fully explain the significant difference in cost.

In preparation for the 2018-19 school year, LLSLD reviewed and updated the Individual Education Plans (IEPs) for its students served by the TCESC in the units housed at LLSLD. They determined, and the parents concurred, that many of the students formerly transported by the outside vendor could reasonably be transported on a properly equipped and staffed district bus at a much lower cost. As of FYE 2019, LLSLD now transports 15 fewer students using the contracted service, which represents a 56 percent reduction.

To accomplish this change, the District purchased a used wheelchair-capable bus and hired an aide to assist the students and driver. The annual cost to operate this bus differs from the average cost per regular education bus by the additional cost of an aide, bringing the total cost to approximately \$58,100. LLSD transports 19 students on its dedicated special education bus, resulting in an average cost per pupil of \$3,645. As a result, the District is saving approximately \$5,033 per student, for a total savings of \$95,627 when compared to the cost of the contracted service.

The Study Collaborative districts are currently under contract with TCESC to provide transportation for the special needs students being served in classroom units operated by the County. When that contract expires in June 2022, or sooner if feasible, the districts should consider jointly adopting the approach taken by LLSD to utilize one or more properly staffed and equipped buses to transport those students for whom local district transportation is deemed appropriate.

According to records provided by the three districts, a total of 55 students are currently assigned to the TCESC units housed at LLSD. Of that total, 48 students are transported to school by bus, either on the dedicated bus now used by LLSD for its students, or on buses operated by the contracted service provider. If, upon review of the IEPs of the students assigned to the LLSD units, BLSD and MLSD determined that the transportation model currently used by LLSD was appropriate, the three districts could share this service by expanding the routes and runs made by the LLSD special needs bus or by purchasing an additional special education bus, if necessary. Such a shared service could potentially reduce costs in BLSD by approximately \$87,600 and in MLSD by approximately \$68,100, for a total savings of approximately \$155,700. When the savings already realized in LLSD are added, the total annual savings for the Study Collaborative would be approximately \$250,000. Further, it is likely that this change would be easily adaptable to the shared transportation services approach discussed earlier in this report.

## Conclusion

This section of the shared services feasibility study examined transportation services for both regular and special needs students. It also examined fleet maintenance services. Based on a review of relevant data related to current operations, sharing of services is feasible in all three areas studied. Shared service options include the following:

- Combine transportation operations and eliminate up to 5 buses from the active fleet;
- Reduce the spare bus fleet by up to 8 buses based on a reduced active bus fleet;
- Combine and migrate fleet maintenance and storage operations to LLSD; and
- Review the outsourced contract for special education transportation and transition to in-house services.

If transportation operations were fully consolidated as described above, the Study Collaborative could conservatively realize annual savings of \$578,000, a one-time cost avoidance of \$150,000, and one-time revenue of \$70,000.

## Future Considerations

If the Study Collaborative districts decide to move a portion of the students currently transported by the TCESC on to locally operated buses, the following items warrant further consideration:

- A change in transportation services would likely necessitate revisions to the IEPs of any affected students; and
- The districts should consult with the Ohio Department of Education to determine if maintenance of effort requirements would have an impact on any associated cost savings.

## Special Education Services

Federal law, the Ohio Revised Code, and the Ohio Administrative Code (OAC) all require that children with disabilities, regardless of residence, be educated in the least restrictive environment. More specifically, to the maximum extent appropriate, they are to be educated with children who are not disabled. Further, school districts are required to ensure that a continuum of alternative placements is available to meet the needs of disabled children in the event that placement in a regular classroom is not appropriate. In other words, these statutes require that school districts allocate the resources to provide a free appropriate public education (FAPE) to their special needs students.

Federal and state statutes, as well as related rules and regulations, ensure FAPE compliance by establishing maintenance of effort (MOE) standards for school districts receiving Individuals with Disabilities Education Act (IDEA) Part B grants. According to guidance published by the U.S. Department of Education, generally, a school district may not reduce the amount of local, or state and local, funds that it spends for the education of children with disabilities below the amount it spent in the preceding year (See **Appendix C**). There are two components to the MOE requirement – the eligibility standard and the compliance standard.

The eligibility standard requires that in order to find a Local Educational Agency (LEA) eligible for an IDEA Part B sub-grant for the upcoming fiscal year, the state education agency (SEA) must determine that the LEA has budgeted for the education of children with disabilities at least the same amount of local, or state and local, funds as it actually spent for the education of children with disabilities during the most recent year for which information is available.

The compliance standard prohibits an LEA from reducing the level of expenditures for the education of children with disabilities made by the LEA from local, or state and local, funds below the level of those expenditures from the same source for the preceding fiscal year. In other words, the LEA must maintain (or increase) the amount of local, or state and local, funds it spends for the education of children with disabilities when compared to the preceding fiscal year.

An LEA may use any of the following four methods to meet both the eligibility and compliance standards:

- Local funds only;
- The combination of state and local funds;
- Local funds only on a per capita basis; or
- The combination of state and local funds on a per capita basis.

Under IDEA, there are five instances where an LEA may reduce the level of expenditures for the education of children with disabilities below the level of those expenditures for the preceding



fiscal year, and below the level of those expenditures for the most recent fiscal year for which information is available. Those five instances are:

1. The voluntary departure, by retirement or otherwise, or departure for just cause, of special education or related services personnel;
2. A decrease in the enrollment of children with disabilities;
3. The termination of the obligation of the agency, consistent with IDEA Part B, 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 –
  - a. Has left the jurisdiction of the agency;
  - b. Has reached the age at which the obligation of the agency to provide FAPE to the child has terminated; or
  - c. No longer needs the program of special education;
4. The termination of costly expenditures for long-term purchases, such as the acquisition of equipment or the construction of school facilities; and
5. The assumption of cost by the high cost fund operated by the SEA.

The Study Collaborative school districts provide special education services to a total of 453 students. Of that total, 351 students are educated in their “home” districts while 118 students are educated in alternative classroom placements. The alternative placements are made based on the specific needs of those students and are assigned to classroom units operated by Trumbull County in a variety of locations.

The school districts comprising the Study Collaborative, along with the other Trumbull County school districts, are already sharing services to meet the needs of the 118 students assigned to classroom units operated by the County. Rather than attempting to meet the needs of these students with more severe requirements in stand-alone units in each district, the services are aggregated in units specifically structured to meet their unique needs.

For purposes of this shared services feasibility study, the analyses that follow will focus on the services provided to students whose needs can be met in regular classroom placements. Each of the Study Collaborative districts provides these services using an inclusion model. Students with special needs are assigned to regular classrooms for most of the school day. However, they are pulled out of the regular classroom for a portion of their instructional day for small group instruction with intervention specialists who assist in meeting the students’ unique learning needs.

The goal of special education shared services is different than in the other areas of operation examined in this study. Rather than a focus on cost savings, the goal is to better manage and control future expenditures while enhancing the districts’ ability to meet the needs of the affected students. As a result, this analysis is focused on ways to control cost growth, rather than produce savings opportunities for the current operations.

**Table 9** presents historical and current student enrollment data for the school districts comprising the Study Collaborative. The table shows total enrollment and special needs enrollment for FY 2014-15 through FYE 2019, based on October headcounts.<sup>4</sup>

**Table 9: Enrollment Trends -- FYE 2015 to FYE 2019**

District	FYE 2015	FYE 2016	FYE 2017	FYE 2018	FYE 2019
<b>Brookfield</b>					
Total Enrollment	1,051	1,002	1,000	1,002	970
Students with Disabilities	124	121	138	140	130
Percent with Disabilities	11.8%	12.1%	13.8%	14.0%	13.4%
<b>Liberty</b>					
Total Enrollment	1,316	1,184	1,149	1,101	1,245
Students with Disabilities	138	142	156	154	185
Percent with Disabilities	10.5%	12.0%	13.6%	14.0%	14.9%
<b>Mathews</b>					
Total Enrollment	725	686	672	646	641
Students with Disabilities	88	86	91	88	76
Percent with Disabilities	12.1%	12.5%	13.5%	13.6%	11.9%
<b>Study Collaborative (combined)</b>					
Total Enrollment	3,092	2,872	2,821	2,749	2,856
Students with Disabilities	350	349	385	382	391
Percent with Disabilities	11.3%	12.2%	13.6%	13.9%	13.6%

Source: October student headcounts

As shown in **Table 9**, total enrollment in the Study Collaborative has declined since FYE 2015 by a total of 236 students, of 7.6 percent. During that same period, the number of disabled students increased, growing by a total of 41 students, or 11.7 percent. It is important to note that the disabled student counts in this table are based on the October headcounts submitted by the districts through EMIS and reflect a snapshot in time. As a result, these counts typically differ from the actual number of students being served at other points in time.

As a percent of total enrollment, the disabled student population actually increased from 11.3 percent in FYE 2015 to 13.6 percent in FYE 2019. However, the percent of students with disabilities is remarkably similar from district to district for each of the five years shown, typically

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<sup>4</sup> In accordance with ORC § 3327.012 and OAC 3301-83-01, school districts in Ohio are required to submit annual T-1 and T-2 Forms to ODE. School districts are required to complete the T-1 Form by recording the average number of pupils enrolled and regularly transported to school as well as the average daily miles traveled for pupil transportation, excluding non-routine and extracurricular miles, during the first full week of October- this is known as the October count week. This data certifies the actual number and type of pupils transported, daily miles traveled, and buses used in the transportation program. This data is used for the calculation of the pupil transportation payment, on a per mile or per student basis, whichever is greater, pursuant to ORC § 3327.012.

varying by less than one percentage point. Further, the disabled student population for the Study Collaborative districts appears to have stabilized at around 13.6 percent of enrollment.

**Table 10** shows the in-district enrollment of special needs students by assigned district and grade level for FYE 2019. The table also shows the combined data for the Study Collaborative districts as a whole. To better illustrate the actual impact of this population on each district and the Study Collaborative as a whole, this table excludes students assigned to alternative placements not operated by the individual districts.

**Table 10: FYE 2019 Special Needs Enrollment by District and Grade**

	Brookfield	Liberty	Mathews	Total
Pre-K	0	0	0	0
Kindergarten	5	11	4	20
Grade 1	10	10	4	24
Grade 2	10	10	5	25
Grade 3	14	18	10	42
Grade 4	4	22	6	32
Grade 5	10	17	7	34
Grade 6	9	16	4	29
Grade 7	17	14	5	36
Grade 8	9	10	3	22
Grade 9	4	11	6	21
Grade 10	11	11	3	25
Grade 11	8	14	2	24
Grade 12	10	4	1	15
Grade 23	2	0	0	2
<b>Total</b>	<b>123</b>	<b>168</b>	<b>60</b>	<b>351</b>

Source: District records

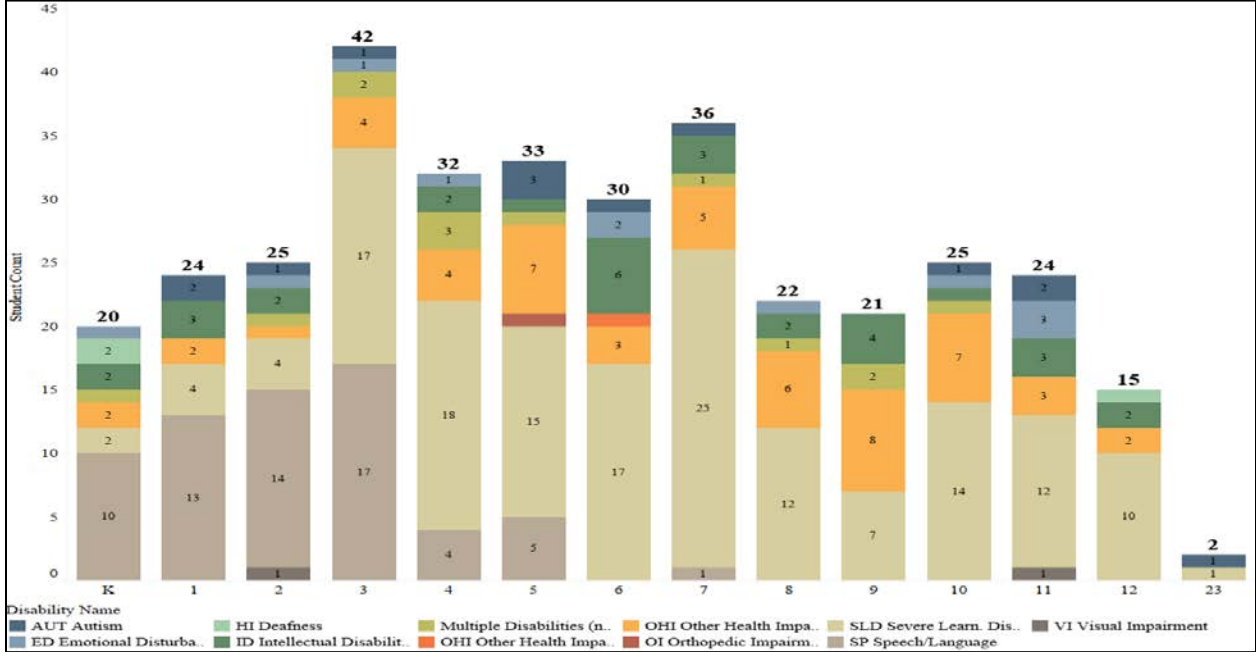
Note: Excludes students assigned to units operated by Trumbull County.

Note: Grade 23 is a designation used for students who are older than grade 12, but have not aged out of service eligibility.

As shown in **Table 10**, there is a significant variance both in the number of students served at each grade level within districts and in the number served at each grade level from district to district. This variance can have an impact on a district’s ability to effectively plan services and assign staff from year to year.

**Chart 1** shows special needs enrollment in the Study Collaborative by grade level and disability type. Additional detail on a district by district basis is provided in **Appendix A**.

**Chart 1: Special Needs Enrollment by Grade Level**

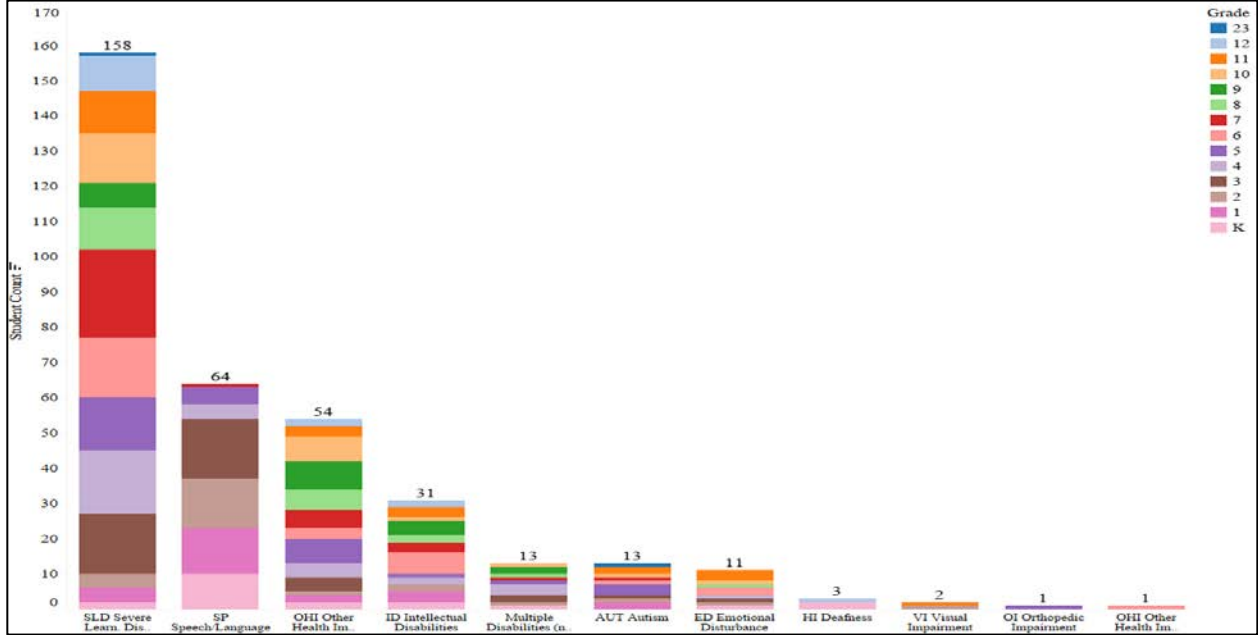


Note: The table excludes 3 disability types for which enrollment is 0.

As shown in **Chart 1**, there is a significant variance in the enrollment of students with disabilities from grade level to grade level. As shown, grade level enrollments range from 2 to 42 students.

**Chart 2** uses this same data to show special needs enrollment within each disability type.

**Chart 2: Special Needs Enrollment by Handicapping Condition**



Note: The table excludes 3 disability types for which enrollment is 0.

The data presented in **Charts 1** and **2** shows that in addition to the disabled student enrollment variance from grade to grade, there is also a significant variance in the number of students identified by handicapping condition. For example, when looking at the Study Collaborative as a whole, 15 or fewer students have been identified in 10 of the 14 categories used by the State of Ohio. These low-enrollment categories account for only 12.5 percent of all students served by the Study Collaborative. Conversely, 4 categories-Speech and Language, Intellectual Disabilities, Severe Learning Disabilities, and Other Health Impairments- account for 87.5 percent of all disabled students served by the three districts.

The State of Ohio has established standards that define required staffing levels when serving disabled students. The standards are spelled out in OAC Section 3301-51-09, Delivery of Services, and are summarized in **Table 11** below.

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**Table 11: OAC Staffing Standards**

<b>Disability Type</b>	<b>Max. Students per Day</b>	<b>Max Students per Period</b>
<b>Intellectual Disabilities</b>		
Elem. Middle, Jr. High School	16	12
High School	24	16
<b>Specific Learning Disabilities</b>		
Elem. Middle, Jr. High School	16	12
High School	24	12
<b>Hearing, Visual, Orthopedic, and Other Health Impairments</b>		
Elem. Middle, Jr. High School	10	8
High School	10	8
<b>Emotional Disturbance</b>		
Elem. Middle, Jr. High School	12	10
High School	12	10
<b>Multiple Disabilities</b>		
Elem. Middle, Jr. High School	8	8
High School	8	8
<b>Autism, Deaf-Blind, Traumatic Brain Injury</b>		
Elem. Middle, Jr. High School	6	6
High School	6	6
<b>Multiple Categories</b>		
Elem. Middle, Jr. High School	16	16
High School	24	24

Source: OAC 3301-51-09

The standards presented above are intended to ensure that students with disabilities are provided an appropriate level of support to meet the educational goals established in their respective Individual Education Plans.

While there are limited exceptions to the MOE requirement, a school district cannot arbitrarily reduce the amount it expends to educate students with disabilities. Since school districts cannot “save money” by modifying their special education programs, the challenge is to ensure that expenditures satisfy the MOE requirement, but do not unnecessarily exceed that level. Since the bulk of qualifying expenditures to satisfy MOE comprise staff salaries and benefits, it is important that staffing levels are carefully managed.

**Table 12** presents grade level enrollment and staffing data organized to coincide with the grade level groupings found in OAC 3301-51-09 (See **Appendix B**).

**Table 12: Special Education Staffing Ratios**

District	Sp. Ed. Enrollment	Staff	Students per Staff
<b>Brookfield</b>			
PK to 8	88.0	7.5	11.7
9 to 23	35.0	3.5	10.0
<b>District Total</b>	<b>123.0</b>	<b>11.0</b>	<b>11.2</b>
<b>Liberty</b>			
PK to 6	128.0	9.0	14.2
9 to 23	40.0	3.0	13.3
<b>District Total</b>	<b>168.0</b>	<b>12.0</b>	<b>14.0</b>
<b>Mathews</b>			
PK to 6	48.0	4.0	12.0
9 to 23	12.0	2.0	6.0
<b>District Total</b>	<b>60.0</b>	<b>6.0</b>	<b>10.0</b>
<b>Combined Districts</b>			
PK to 6	264.0	20.5	12.9
9 to 23	87.0	8.5	10.2
<b>Combined Total</b>	<b>351.0</b>	<b>29.0</b>	<b>12.1</b>

Source: District records

As noted previously, all three districts in the Study Collaborative utilize an inclusion model for services to their respective disabled student populations. As a result, staffing needs are determined using the Multiple Categories standard rather than staffing by individual disability type.<sup>5</sup> A review of the data in **Table 12** shows that each district is staffed in a manner that complies with OAC standards and, in many instances, are staffed at a level that results in student to staff ratios significantly lower than the caps established by OAC 3301-51-09.

Interviews with Study Collaborative staff revealed that there is no formal interaction between the three districts to share enrollment or staffing information. As a result, shared service opportunities have not been explored and the variances in disabled student enrollment mentioned earlier can have the potential to inflate staffing needs.

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<sup>5</sup> Pursuant to OAC 3301-51-09 (I)(2)(g)(i), an intervention specialist may serve multiple categories of children with disabilities. The ratio for this service shall be determined in accordance with paragraph (I)(1) of this rule and shall not exceed sixteen children at the elementary, middle, or junior high school levels, or no more than twenty-four at the high school level.

ORC 3313.841 permits sharing on a cooperative basis the services of supervisory, special instruction, and special education teachers (See **Appendix B**). Under this statute,

“the boards of education and governing boards of two or more city, local, joint vocational, or exempted village school districts or educational service centers may contract in accordance with the terms of this section for the sharing on a cooperative basis of the services of supervisory teachers, special instruction teachers, and other licensed personnel necessary to conduct approved cooperative classes for special education and related services and gifted education”.

The data presented in this section suggest that the Study Collaborative districts could benefit from sharing of services in the area of special education. While there is a range of conceivable options available under ORC 3313.841, a conservative approach would be to begin with an agreement to share the services of a special education coordinator or supervising teacher. This person could begin by monitoring current and projected enrollment trends and staffing needs. Then, depending on the results of the monitoring effort, the districts could decide to expand the agreement to include cooperative classes and staffing.

It is important to note that all services provided to children with disabilities are defined by an IEP designed to address the particular needs of each child. These IEPs are developed by appropriately licensed professional staff with the input and agreement of the child’s parents or guardians. Any change to the services provided to a child with disabilities must be discussed with the parents or guardians and must be agreed to by those parents or guardians. In other words, school districts are prohibited from making unilateral changes to the services provided under existing IEPs.

## Conclusion

Sharing of services in the area of special education is feasible, provided that MOE requirements are met and any changes in the services provided to affected children with disabilities adhere to the rules and regulations governing the IEP process. The sharing of services as described above could result in more efficient staffing and service delivery decisions. The Study Collaborative should consider sharing the services of a special education coordinator or supervising teacher to monitor special education enrollment and class sizes across all three districts. Further, creating shared service classrooms, when appropriate, would also allow the districts to combine services for disability types with low enrollment and enhance their ability to meet the individual needs of those students.



# Food Service

The Ohio Revised Code establishes the authority for school districts to provide food service to its students and staff. According to ORC 3313.81,

“[t]he board of education of any city, exempted village, or local school district may establish food service, provide facilities and equipment, and pay operating costs in the schools under its control for the preparation and serving of lunches and other meals or refreshments to the pupils, employees of the board of education employed therein, and to other persons taking part in or patronizing any activity in connection with the schools.”

The law also allows the provision of meals at cost to residents of the school district who are at least 60 years of age.

To facilitate implementation of school food services, the Ohio Department of Education partners with the U.S. Department of Agriculture to administer the National School Lunch, School Breakfast, Special Milk, After School Care Snack, and Government Donated Food Programs. School districts that are eligible and apply to participate in the National School Lunch Program can be reimbursed for a portion of the cost of each complete meal served. Reimbursement rates are determined based on students’ eligibility categories – paid full price, reduced price, or free. Free and reduced price eligibility is determined based on family income and household size.

The Study Collaborative districts all participate in the National School Lunch Program. Each district independently staffs, equips and operates its own food service program. BLSLSD operates a single production and serving facility to serve all students on its combined school campus.

LLSD operates two production/serving facilities. One is located at Guy Junior High building and serves students in both the elementary and middle school buildings. The second facility is located at Liberty High School and serves the students assigned to that building.

MLSD operates three production/serving facilities. One is located at Currie Elementary School and serves students in grades K to 2. The second is located at Baker elementary School and serves students in grades 3 to 6. The third is located at Mathews High School and serves students in grades 7 to 12.

**Table 13** presents key data and performance indicators for the three districts comprising the Study Collaborative. It also presents combined data for the three districts as a whole.

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**Table 13: FYE 2018 Food Service Performance Indicators**

	<b>Brookfield</b>	<b>Liberty</b>	<b>Mathews</b>	<b>Combined Total</b>
<b>Budget</b>	\$406,142	\$568,928	\$285,665	\$1,260,735
<b>Reimbursement Amount</b>	\$302,328	\$458,434	\$133,534	\$894,296
<b>Number of Staff</b>	7.00	11.00	9.00	27.00
<b>FTE Staff</b>	5.65	7.09	4.50	17.24
<b>Daily Staff Labor Hours w/ Dir.</b>	45.18	56.75	36.00	137.93
<b>Daily Staff Labor Hours w/o Dir.</b>	37.18	48.75	28.00	113.93
<b>Annual Staff Labor Hours w/ Dir.<sup>1</sup></b>	8,132	10,215	6,480	24,827
<b>Annual staff Labor Hours w/o Dir.<sup>1</sup></b>	6,692	8,775	5,040	20,507
<b>Total Meal Equivalents Served</b>	99,633	141,168	51,757	292,558
<b>Gross Cost per Meal Equivalent</b>	\$4.08	\$4.03	\$5.52	\$4.31
<b>Net Cost per Meal After Reimbursement</b>	\$1.04	\$0.78	\$2.88	\$1.25
<b>Meal Equivalents per Labor Hour w/ Dir. Hours</b>	12.25	13.82	7.99	11.78
<b>Meal Equivalents per Labor Hour w/o Dir. Hours</b>	14.89	16.09	10.27	14.27

Source: Ohio Claims Reimbursement and Reporting System (CRRS ); BLS D, LLS D, and M L S D  
<sup>1</sup>Projected based on an assumption of a 180 day school year.

The data in **Table 13** is structured to provide a sense of the overall efficiency of the current food service operations in BLS D, LLS D and M L S D. Staffing and labor hours are reported based on information provided by the respective districts. Meal equivalents were determined using the methodology presented by Pannell-Martin and Boettger in *School Food & Nutrition Service Management for the 21<sup>st</sup> Century* and meal data reported by the districts to the Ohio Department of Education, Office of Child Nutrition. According to their methodology, lunches count as one meal equivalent. Three breakfasts or three snacks equate to one meal equivalent (Pannell-Martin and Boettger, p.155.)

**Table 14** presents the number of labor hours suggested by Pannell-Martin and Boettger based on the average number of meal equivalents served in each district and for the combined districts as a whole. The suggested number of meals per labor hour (MPLH) varies depending on the average number of daily meal equivalents served, with the expectation being that efficiency will increase with volume. For the purposes of this analysis, a conservative approach was chosen by utilizing the MPLH number that represented the middle of the low/high efficiency range.

**Table 14: Suggested Labor Hours**

	<b>Brookfield</b>	<b>Liberty</b>	<b>Mathews</b>	<b>Combined Total</b>
Total Meal Equivalents Served	99,633	141,168	51,757	292,558
Suggested MPLH	16	18	14	19
Suggested Labor Hours Required	6,227	7,842	3,696	15,397
Actual Labor Hours Utilized	6,692	8,775	5,040	20,507
<b>Difference over/(under)</b>	<b>465</b>	<b>933</b>	<b>1,344</b>	<b>5,110</b>

Source: BLSD, LLSLSD, and MLSD; Pannell-Martin and Boettger154.

**Table 14** shows that when the Pannell-Martin and Boettger methodology is applied to food service operations in the Study Collaborative districts, none meet their suggested MPLH criterion. These results suggest that there are opportunities to increase efficiency and reduce costs in this area.

A number of Ohio school districts have taken steps designed to increase the efficiency of their food service programs by sharing services either within the district or with other districts. The Delaware City School District (DCSD) uses three central production kitchens to prepare food for all of its schools. Two of the production sites are located in schools and also function as serving sites. The third is a stand-alone production site.

In Delaware, each production kitchen prepares food for one or two other serving sites. The high school production site serves that location as well as two elementary schools. The middle school production site serves that school as well as one elementary school. The third production site is located at the district administration building and serves two elementary schools. The district operates a total of seven serving sites.

**Table 15** presents food service performance indicators for the central production kitchen approach used in Delaware City Schools for FYE 2018.

**Table 15: Delaware CSD Food Service Performance Indicators**

Annual Budget	\$1,901,706
Reimbursement Amount	\$991,232
Number of Staff (Headcount)	38
FTE Staff	20
Daily Staff Labor Hours with Director	171
Daily Staff Labor Hours without Director	163
Annual Staff Labor Hours with Director <sup>1</sup>	30,780
Annual staff Labor Hours without Director <sup>1</sup>	29,340
Total Meal Equivalents Served	472,966
<b>Cost per Meal Equivalent</b>	
	<b>\$4.02</b>
<b>Net Cost per Meal After Reimbursement</b>	
	<b>\$1.92</b>
<b>Meal Equivalents per Labor Hour with Director Hours</b>	
	<b>15</b>
<b>Meal Equivalents per Labor Hour without Director Hours</b>	
	<b>16</b>

Source: Ohio CRRS data; BLSD, LLSD, and MLSD

As shown in **Table 15**, the Delaware CSD food service operation produced 16 meals per labor hour, closely matching the MPLH performance of LLSD, and exceeding that of both BLSD and MLSD. However, Delaware CSD still falls short of the benchmark criteria of 19 meals per labor hour suggested by Pannell-Martin and Boettger for an operation of that size.

As noted previously, BLSD already uses a central kitchen approach. Its schools are co-located on a single campus and utilize a single production kitchen and cafeteria.

Use of the Delaware central kitchen approach would have limited applicability for both LLSD and MLSD. Both districts lack adequate freezer, refrigeration and storage space to move production into a single kitchen. Additional freezers and refrigerators would cost approximately \$2,500 each, or approximately \$10,000 to supplement two production kitchens. Further, such a move would necessitate the purchase of 2 trucks and 4 portable warming ovens to transport food from the production site to any remote serving sites in accordance with existing regulations. Delaware CSD estimated the cost of each truck to be approximately \$30,000 and each portable warming oven to be approximately \$1,500, for a total cost of \$66,000. The total cost to change to a production kitchen approach similar to that used in Delaware CSD would be at least \$76,000 – an amount that would more than offset any potential savings.

During the course of this study, one member district in the Study Collaborative inquired about the availability of data from districts that outsource some or all of their food service operations. A review of CRRS and Child Nutrition data from the Ohio Department of Education identified several school districts that contract with outside vendors.

The Twin Valley Community Local School District (TVCLSD) contracts with an outside vendor for management of its food service operation. The manager is responsible for planning meals and ordering food and supplies through the outside company, thereby taking advantage of the company’s volume purchasing leverage. The district employs the remainder of its food service staff, including cooks, servers, and cashiers. In FYE 2018, Twin Valley Community LSD spent a total of \$350,959 on its food service operation.

The Mariemont City School District (MCSD) has a full-service contract with its food service vendor. The district does not employ any internal food service staff and relies on its vendor for all aspects of its operation. The district utilizes an open campus, allowing students to leave for lunch. As a result, participation rates are lower than in districts with closed campuses. MCSD shares its contracted manager with Indian Hill Exempted Village School District and spent a total of \$195,435 on food service in FYE 2018.

Kent City School District began its relationship with its food service vendor with a management-only contract. As attrition reduced the number of district food service employees, Kent CSD has gradually transitioned to a full-service contract and is now fully staffed by vendor personnel. The district’s FYE 2018 food service expenditures totaled \$1,152,329.

Finally, the Lorain City School District utilizes a full-service contract with an outside vendor to provide its food services. The district is by far the largest among the sample of contracting districts selected for this portion of the study, serving more than 1.1 million meal equivalents in FYE 2018. Lorain’s FYE 2018 food service expenditures totaled \$4,275,542.

**Table 16** below presents key food service performance indicators for the group of districts contracting with outside vendors for all or part of their food service operations in FYE 2018.

**Table 16: Food Service Expenditures in Districts with Contracted Service**

District	Meal Equivalents Served	Total Food Service Expenditure	Gross Cost per Meal	Reimbursement Amount	Net Cost per Meal
Kent City	238,580	\$ 1,152,329	\$ 4.83	\$ 717,209	\$ 1.82
Lorain City	1,100,450	\$ 4,275,542	\$ 3.89	\$ 4,313,053	\$ (0.03)
Mariemont City	45,019	\$ 195,435	\$ 4.34	\$ 51,023	\$ 3.21
Twin Valley Community Local	76,421	\$ 350,959	\$ 4.59	\$ 201,482	\$ 1.96
<b>Total</b>	<b>1,460,470</b>	<b>\$ 5,974,265</b>	<b>N/A</b>	<b>\$ 5,282,767</b>	<b>N/A</b>
<b>Average</b>	<b>365,118</b>	<b>\$1,493,566</b>	<b>\$4.09</b>	<b>\$1,320,692</b>	<b>\$0.47</b>

Source: CRRS; KCSD, LCSD, MCSD, and TVCLSD.

<sup>1</sup>Lorain’s reimbursement amount exceeded its expenditures for FYE 2018 due to timing of the reimbursements.

The federal government establishes nutrition standards that must be met in order for school districts to participate in the national school lunch program and be eligible for reimbursement. As

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a result, gross cost per meal is a reasonable measure of food service program efficiency. Reimbursements are an important component of the national school lunch program because they reduce the overall financial impact of the program on local district resources. However, reimbursement amounts are based on students’ eligibility for free and reduced price meals and are beyond the control of local school districts, further supporting the use of gross cost per meal as a tool for comparison.

**Table 17** compares food service expenditures in the Study Collaborative districts to comparable data from the group of districts that contract for some or all of their food service operations.

**Table 17: Food Service Comparative Data**

District	Meal Equivalents Served	Total Food Service Expenditure	Gross Cost Per Meal
Brookfield	99,633	\$406,142	\$4.08
Liberty	141,168	\$568,928	\$4.03
Mathews	51,757	\$285,665	\$5.52
<b>Combined Total</b>	<b>292,558</b>	<b>\$1,260,735</b>	<b>\$4.31</b>
<b>Contracting Districts</b>	<b>1,460,470</b>	<b>\$5,974,265</b>	<b>\$4.09</b>

As shown in **Table 17** above, the gross cost per meal in the Study Collaborative districts ranged from \$4.03 to \$5.52, resulting in an average gross cost per meal of \$4.31 for the group as a whole. The average gross cost per meal for the sample group of districts that contract for food services was \$4.09, or \$0.22 lower than the Study Collaborative average, suggesting that contracting for food service operations could be a viable option for the Collaborative for improving efficiency and reducing costs.

Districts that contract for food service reported a number of benefits. Most commented on the elimination of deficits in their food service funds. Increased participation and higher quality meals were also noted. Finally, contracting has eliminated the need for districts to be involved in meal planning and procurement of food supplies, enabling them to focus additional attention on academic priorities (*Private Food Service: School District Eat Up Savings*, Mackinac Center for Public Policy, <https://www.mackinac.org/2138> ).

## Conclusion

The data reviewed above suggests that moving from on-site food preparation to a more centralized approach may not be financially practical. Such a move would necessitate purchase of additional freezer and refrigeration capacity as well as creation of additional food storage space. In addition, a centralized approach would require the purchase of trucks and warming ovens to transport the

prepared food to remote serving sites. In addition to the up-front purchase cost, the trucks would represent an additional on-going operating cost not currently incurred by the districts.

A second alternative, contracting with outside vendors for food services, appears to have more potential to reduce costs. A group of school districts that contract for these services was examined to gauge cost per meal for comparison to the Study Collaborative. It was determined that the contract districts produce meals for an average of \$0.22 less than the average in the Study Collaborative. If the Study Collaborative could procure a contractor to produce meals at a comparable cost, they may be able to achieve total annual savings of up to \$60,000.

# Administration

The final section of this shared services feasibility study will address administration in the three districts comprising the Study Collaborative. Specifically, the study will examine administrative staffing in the three districts and compare it to comparable staffing in a group of districts that are sharing administrators.

The feasibility of sharing administrative personnel is well-established in Ohio as evidenced by the growing number of districts that jointly employ key administrators with other districts. This shared service approach is most common for the position of treasurer. However, a number of districts and ESCs also share superintendents as well as other central office administrative positions.

The following are examples of shared administrative services cited in recent literature:

- The Allen County and Western Buckeye Educational Service Centers share a superintendent (<https://www.limaohio.com/news/175991>);
- Crestview Local and Lexington Local School Districts share a treasurer (SBO Quarterly, October 2012, p. 22);
- Walnut Township Local and Berne Union Local School Districts share both a superintendent and a treasurer (SBO Quarterly, October 2012, p. 23);
- Perry Local, Kirtland Local, and Fairport Harbor Exempted Village School Districts share a treasurer. Perry and Kirtland also share the services of a transportation director and a buildings and grounds supervisor ( <http://www.kirtlandschools.org/Treasurer.aspx> );
- Cloverleaf Local and Medina City School Districts share a treasurer (<http://www.cloverleaflocal.org/protected/articleView.aspx?iid=50PIY0&dasi=330I>); and
- Orrville City, Rittman Exempted Village, and Southeast Local School Districts share a superintendent and treasurer. In addition, Green Local School District also shares the treasurer with the other three districts (<https://www.the-daily-record.com/news/2012051> ; EMIS staffing data).

Two factors are consistently cited as reasons for adopting the shared service approach – the difficulty in finding well-qualified candidates to fill available positions, and the need to conserve scarce financial resources as costs escalate at a rate greater than revenue. The treasurer in Medina CSD and Cloverleaf LSD stated that,

“Exploring shared service opportunities is absolutely essential as state funding continues to be reduced. Our overall goal is to increase financial accountability and use taxpayer funds wisely. Local governments in Medina County have been working collaboratively for several years to reduce the costs of providing services. This agreement is one additional means of exploring future opportunities between the two districts.” (<http://www.cloverleaflocal.org/protected/articleView.aspx?iid=50PIY0&dasi=330I>)

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In order to gauge the potential impact of shared administrative services, the following analysis will present data from the Study Collaborative as well as the shared services collaborative in the school districts of Green, Orville, Rittman and Southeast. Similar to the Study Collaborative whose member districts are all located in Trumbull County, the comparison group districts are all located in Wayne County. The fact that the districts are located in close proximity to one another helps to alleviate some of the logistical issues that longer distances would introduce when sharing services.

For purposes of data collection and analysis, the Study Collaborative superintendents agreed that this initial study should focus on central office administrative positions and exclude positions such as principal, assistant principal, and other ancillary administrative personnel. The data utilized came from staffing information submitted by each school district to the Ohio Department of Education’s EMIS data collection system.

**Table 18** identifies the position codes that were included in this study.

**Table 18: Administrative Position Codes and Position Descriptions**

101	Administrative Assistant
103	Assistant/Associate Superintendent
109	Superintendent
110	Supervisor/Manager
112	Treasurer
113	Coordinator
114	Education Administrative Assistant
115	Director
121	Building Manager
199	Other Official/Administrative

The data in the tables that follow are drawn directly from the statewide staffing database as it was reported by the respective districts.

**Table 19** shows the full-time equivalent administrative staffing, by position code, for the Study Collaborative districts.

**Table 19: Administrative Staffing by Position Code (FTE)**

Position Code	Brookfield	Liberty	Mathews	Combined Total
101 Administrative Assistant	0.0	2.0	0.0	2.0
103 Asst./Assoc. Superintendent	0.0	0.0	0.0	0.0
109 Superintendent	1.0	1.0	1.0	3.0
110 Supervisor/Manager	2.0	0.0	1.0	3.0
112 Treasurer	1.0	1.0	1.0	3.0
113 Coordinator	0.0	0.0	0.0	0.0
114 Education Administrative Asst.	0.0	0.0	0.0	0.0
115 Director	0.0	1.0	0.0	1.0
121 Building Manager	0.0	0.0	0.0	0.0
199 Other Official/Administrative	0.0	0.0	0.0	0.0
<b>Total</b>	<b>4.0</b>	<b>5.0</b>	<b>3.0</b>	<b>12.0</b>

Source: District EMIS data

While somewhat informative, raw staffing data does not paint the complete picture of district staffing efficiency. To gain a more complete understanding, it is important to view administrative staffing in the context of span of control-the number of students and staff members that administrators are responsible for managing.

**Table 20** presents administrative staffing ratios for the Study Collaborative districts. These ratios-students per administrator and staff per administrator- provide a more complete picture of the efficiency of which the districts are staffed. For purposes of these analyses, staff and student headcounts are used rather than full-time equivalency, as in most instances, part-time students and staff members demand equal amounts of administrative attention as full-time students and staff.

**Table 20: Study Collaborative Administrative Staffing Ratios**

	Brookfield	Liberty	Mathews	Combined Total
FTE Administrative Staff	4.0	5.0	3.0	12.0
Total Staff (headcount)	112	176	105	393
<b>Staff per FTE Administrator</b>	<b>28.00</b>	<b>35.20</b>	<b>35.00</b>	<b>32.75</b>
October Student Headcount	970	1,245	641	2,856
<b>Students per FTE Administrator</b>	<b>242.50</b>	<b>249.00</b>	<b>213.67</b>	<b>238.00</b>

Source: District EMIS data

Administrative and other staffing among the Study Collaborative districts is roughly proportional to enrollment or student headcount. In other words, as enrollment increases, both administrative and total staff needs increase as well. A higher student per administrator or staff per administrator ratio indicates a greater span of control and greater staffing efficiency. However, the decision to

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employ full-time superintendents and treasurers in each Study Collaborative district constrains their ability to significantly increase administrative staffing ratios or efficiency.

To illustrate the impact that shared administrative services can have on administrative staffing efficiency, the tables that follow present data for the districts of Green LSD, Orrville CSD, Rittman EVSD, and Southeast LSD (the Wayne County Group).

**Table 21** shows administrative staffing in the agreed-upon categories for the districts in the Wayne County Group.

**Table 21: Wayne County Group Administrative Staffing**

EMIS Position Code	Green	Orrville	Rittman	Southeast	Combined Total
101 Administrative Assistant	1.00	0.00	0.00	0.00	1.00
103 Asst./Assoc. Superintendent	0.00	1.00	0.00	0.00	1.00
109 Superintendent	1.00	0.33	0.33	0.33	1.99
110 Supervisor/Manager	0.00	0.00	0.00	0.00	0.00
112 Treasurer	0.25	0.25	0.25	0.25	1.00
113 Coordinator	2.00	0.00	1.00	1.00	4.00
114 Education Administrative Asst.	0.00	0.00	0.00	0.00	0.00
115 Director	0.00	0.00	0.00	1.00	1.00
121 Building Manager	0.00	0.00	0.00	0.00	0.00
199 Other Official/Administrative	0.00	0.00	1.00	0.00	1.00
<b>Total</b>	<b>4.25</b>	<b>1.58</b>	<b>2.58</b>	<b>2.58</b>	<b>10.99</b>

Source: District EMIS data

It is clear that administrative staffing in the Wayne County districts is significantly lower than the comparable staffing in the Study Collaborative. The four districts comprising the Wayne County Group employ a total of 10.99 FTE administrators while the three districts in the Study Collaborative employ 12.0 FTE administrators in the same position code categories.

**Table 22** presents the administrative staffing ratios for the Wayne County Group, further illustrating the impact that shared services have had on those districts.

**Table 22: Shared Service Group Administrative Staffing Ratios**

	Green	Orrville	Rittman	Southeast	Combined Total
FTE Administrative Staff	4.25	1.58	2.58	2.58	10.99
Total Staff (headcount)	128	222	138	236	724
<b>Staff per FTE Administrator</b>	<b>30.12</b>	<b>140.51</b>	<b>53.49</b>	<b>91.47</b>	<b>65.88</b>
October Student Headcount	1,056	1,568	964	1,363	4,951
<b>Students per FTE Administrator</b>	<b>248.47</b>	<b>992.41</b>	<b>373.64</b>	<b>528.29</b>	<b>450.50</b>

Source: District EMIS data

As shown in **Table 22**, the districts in the Wayne County Group employ nearly twice as many total staff and serve nearly twice as many students while functioning with 8 percent fewer administrators.

**Table 23** summarizes the staffing ratios for the affected districts to allow for easier district to district comparisons.

**Table 23: Administrative Staffing Ratio Comparison**

	FTE Administrative Staff	Staff Count	Student Count	Staff per Administrator	Students per Administrator
Wayne County Group	10.99	724	4,951	65.88	450.50
Study Collaborative Group	12.00	393	2,856	32.75	238.00
<b>Admin. Staff needed to match Wayne County ratios</b>	<b>6.34</b>	<b>393</b>	<b>2,856</b>	<b>61.99</b>	<b>450.47</b>
<b>Difference</b>	<b>(5.66)</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

Source: District EMIS data

As shown in **Table 23** above, if the Study Collaborative chose to utilize a shared administrator approach and opted to staff at a level comparable to the Wayne County Group, it could potentially reduce administrative staffing by as much as 5 FTEs. Taking a conservative approach, if the districts chose to share one superintendent and treasurer, they could potentially save more than \$350,000 annually in salaries and benefits. Savings are based on current average salaries for those positions and assume a 30 percent increase to reflect the added duties of the individuals selected to fill the shared positions.

It is important to distinguish between shared services and school district consolidation. In each of the examples cited in this study, the districts that share services have retained their individual identities. Each district still functions under its own board of education and sets policy reflecting

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the priorities of their respective communities. Each still hires and evaluates its own personnel and each still has its own sports teams and maintains its own traditions.

A great deal of attention has been focused on the shared service agreement among the Wayne County districts. In a 2011 dissertation entitled *Evaluation of a Shared Services Compact in Two Rural Ohio School Districts*, Jennifer Dziczkowski examined the original shared service compact between the Orrville and Rittman schools. She found that administrators and other employees of both districts had statistically significant positive attitudes and perceptions concerning the compact. The study measured attitudes and perceptions related to the compact's success in five areas -- effectiveness, efficiency, further application, communication, and maintenance of individual identity. She concluded that the compact was successful and should continue, with maintenance of identity having the most favorable responses and communication the least favorable. She further concluded that similar shared service agreements could be successfully implemented by other small school districts. (Dziczkowski, Jennifer E., *Evaluation of a Shared Services Compact in Two Rural Ohio School Districts*, North Central University, 2011.)

Since completion of the Dziczkowski study, the Orrville-Rittman compact has been expanded to include Green and Southeast Local School Districts.

## Conclusion

As noted previously, the feasibility of sharing administrative and other services has been well-documented in Ohio. Since its inception in 2008, the shared services compact between Orville and Rittman has been expanded to include two other districts. In addition, a significant number of other districts have entered into similar agreements. Using an approach like that in Wayne County, the data show that sharing administrative services is feasible in the Study Collaborative. By sharing administrators in a manner similar to the Wayne County Group, the Study Collaborative could realize significant savings in administrative costs, enabling a shift of those dollars to meet other educational needs and priorities.

# Summary

This study was jointly requested by the districts comprising the Study Collaborative. Its purpose was to assess the feasibility of sharing services between the districts using a data-driven approach. Each district’s Board of Education passed a resolution in support of participation in the study and each identified a desire to make more efficient and effective use of scarce resources as its primary goal. The Study Collaborative identified five areas of operation for inclusion in the study – transportation, special education transportation, special education services, food service, and administration.

Meetings were held throughout the study period to inform each district’s leaders relative to progress toward completion and to share preliminary study conclusions. District personnel provided regular feedback on drafts of each study section and revisions to the final report were made when appropriate.

The study utilized a comparative analysis approach to assess data from the participating districts as well as other districts using alternative service delivery models. In each study area, it was determined that sharing of services was feasible, and in most instances would result in significant cost savings and cost avoidances.

# Appendix A

The tables in **Appendix A** present detailed data to illustrate special needs enrollment by district, grade level, and handicapping condition for the Study Collaborative school districts. The information in these tables was drawn from information provided by the respective districts.

In each table, grade 23 refers to students who are older than grade 12, but who have not aged out of eligibility for special education services.

**Table A: Brookfield Special Needs Enrollment by Grade & Disability Type**

Disability Type	Grade Level															Tot
	PK	K	1	2	3	4	5	6	7	8	9	10	11	12	23	
01 Multiple Disabilities (not deaf-blind)	0	0	0	0	1	0	0	0	0	1	1	0	0	0	0	3
02 Deaf -- Blindness	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
03 HI Deafness	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	1
04 VI Visual Impairment	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	1
05 SP Speech/Language	0	3	10	9	8	1	2	0	1	0	0	0	0	0	0	34
06 OI Orthopedic Impairments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
08 ED Emotional Disturbance	0	0	0	0	1	1	0	0	0	0	0	1	1	0	0	4
09 ID Intellectual Disabilities	0	1	0	1	0	0	1	2	2	1	1	1	1	0	0	11
10 SLD Severe Learn. Disabilities	0	1	0	0	4	2	5	6	10	5	2	7	4	8	1	55
12 AUT Autism	0	0	0	0	0	0	2	0	1	0	0	0	0	0	1	4
13 TBI Traumatic Brain Injury	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 OHI Other Health Impairment (maj.)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 OHI Other Health Impairment (min.)	0	0	0	0	0	0	0	1	3	2	0	2	1	1	0	10
16 DD Developmental Delay	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>5</b>	<b>10</b>	<b>10</b>	<b>14</b>	<b>4</b>	<b>10</b>	<b>9</b>	<b>17</b>	<b>9</b>	<b>4</b>	<b>11</b>	<b>8</b>	<b>10</b>	<b>2</b>	<b>123</b>

**Table B: Liberty Special Needs Enrollment by Grade & Disability Type**

Disability Type	Grade Level															Tot
	PK	K	1	2	3	4	5	6	7	8	9	10	11	12	23	
01 Multiple Disabilities (not deaf-blind)	0	1	0	1	1	3	1	0	1	0	0	1	0	0	0	9
02 Deaf -- Blindness	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
03 HI Deafness	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	1
04 VI Visual Impairment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
05 SP Speech/Language	0	4	3	1	4	3	1	0	0	0	0	0	0	0	0	16
06 OI Orthopedic Impairment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
08 ED Emotional Disturbance	0	1	0	1	0	0	0	1	0	1	0	0	2	0	0	6
09 ID Intellectual Disabilities	0	1	3	1	0	1	0	4	1	1	2	0	2	2	0	18
10 SLD Severe Learn. Disabilities	0	1	2	4	9	12	8	9	11	5	3	6	6	1	0	77
12 AUT Autism	0	0	0	1	1	0	1	1	0	0	0	1	2	0	0	7
13 TBI Traumatic Brain Injury	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 OHI Other Health Impairment (min.)	0	2	2	1	3	3	5	1	1	3	6	3	2	1	0	33
15 OHI Other Health Impairment (maj.)	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	1
16 DD Developmental Delay	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>11</b>	<b>10</b>	<b>10</b>	<b>18</b>	<b>22</b>	<b>17</b>	<b>16</b>	<b>14</b>	<b>10</b>	<b>11</b>	<b>11</b>	<b>14</b>	<b>4</b>	<b>0</b>	<b>168</b>

**Table C: Mathews Special Needs Enrollment by Grade & Disability Type**

Disability Type	Grade Level															Tot.
	PK	K	1	2	3	4	5	6	7	8	9	10	11	12	23	
01 Multiple Disabilities (not deaf-blind)	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	1
02 Deaf -- Blindness	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
03 HI Deafness	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	1
04 VI Visual Impairment	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	1
05 SP Speech/Language	0	3	0	4	5	0	2	0	0	0	0	0	0	0	0	14
06 OI Orthopedic Impairment	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	1
08 ED Emotional Disturbance	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	1
09 ID Intellectual Disabilities	0	0	0	0	0	1	0	0	0	0	1	0	0	0	0	2
10 SLD Severe Learn. Disabilities	0	0	2	0	4	4	2	2	4	2	2	1	2	1	0	26
12 AUT Autism	0	0	2	0	0	0	0	0	0	0	0	0	0	0	0	2
13 TBI Traumatic Brain Injury	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 OHI Other Health Impairment (maj.)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 OHI Other Health Impairment (min.)	0	0	0	0	1	1	2	1	1	1	2	2	0	0	0	11
16 DD Developmental Delay	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>4</b>	<b>4</b>	<b>5</b>	<b>10</b>	<b>6</b>	<b>7</b>	<b>4</b>	<b>5</b>	<b>3</b>	<b>6</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>60</b>

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**Table D: Study Collaborative Combined Special Needs Enrollment**

Disability Type	Grade Level															Total
	P K	K	1	2	3	4	5	6	7	8	9	10	11	12	13	
01 Multiple Disabilities (not deaf-blind)	0	1	0	1	2	3	1	0	1	1	2	1	0	0	0	13
02 Deaf -- Blindness	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
03 HI Deafness	0	2	0	0	0	0	0	0	0	0	0	0	0	1	0	3
04 VI Visual Impairment	0	0	0	1	0	0	0	0	0	0	0	0	1	0	0	2
05 SP Speech/Language	0	1	1	1	1	4	5	0	1	0	0	0	0	0	0	64
06 OI Orthopedic Impairment	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	1
08 ED Emotional Disturbance	0	1	0	1	1	1	0	2	0	1	0	1	3	0	0	11
09 ID Intellectual Disabilities	0	2	3	2	0	2	1	6	3	2	4	1	3	2	0	31
10 SLD Severe Learn. Disabilities	0	2	4	4	1	1	1	1	2	1	7	1	1	1	15	
12 AUT Autism	0	0	2	1	1	0	3	1	1	0	0	1	2	0	1	13
13 TBI Traumatic Brain Injury	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 OHI Other Health Impairment (min.)	0	2	2	1	4	4	7	3	5	6	8	7	3	2	0	54
15 OHI Other Health Impairment (maj.)	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	1
16 DD Developmental Delay	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>4</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>5</b>	<b>35</b>

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# Appendix B

The pages that follow provide quick access to relevant statutory and regulatory language found in the Ohio Revised Code (ORC) and the Ohio Administrative Code (OAC).

## ORC 9.482 Contracting for services between political subdivisions

(A) As used in this section:

- (1) "Political subdivision" has the meaning defined in section 2744.01 of the Revised Code.
- (2) "State agency" means any organized body, office, agency, institution, or other entity established by the laws of the state for the exercise of any function of state government. The term includes a state institution of higher education as defined in section 3345.011 of the Revised Code.

(B)

- (1) When legally authorized to do so, a political subdivision may enter into an agreement with another political subdivision or a state agency whereby the contracting political subdivision or state agency agrees to exercise any power, perform any function, or render any service for the contracting recipient political subdivision that the contracting recipient political subdivision is otherwise legally authorized to exercise, perform, or render.
- (2) When legally authorized to do so, a state agency may enter into an agreement with a political subdivision whereby the contracting political subdivision agrees to exercise any power, perform any function, or render any service for the contracting recipient state agency that the contracting recipient state agency is otherwise legally authorized to exercise, perform, or render.

(C) In the absence in the agreement of provisions determining by what officer, office, department, agency, or other authority the powers and duties of a contracting political subdivision shall be exercised or performed, the legislative authority of the contracting political subdivision shall determine and assign the powers and duties.

An agreement shall not suspend the possession by a contracting recipient political subdivision or state agency of any power or function that is exercised or performed on its behalf by the other contracting political subdivision or the contracting state agency under the agreement.

A political subdivision shall not enter into an agreement to levy any tax or to exercise, with regard to public moneys, any investment powers, perform any investment function, or render any investment service on behalf of a contracting subdivision. Nothing in this paragraph prohibits a political subdivision from entering into an agreement to collect, administer, or enforce any tax on

behalf of another political subdivision or to limit the authority of political subdivisions to create and operate joint economic development zones as provided in section 715.691, joint economic development districts as provided in sections 715.70 to 715.83, or municipal utility districts as provided in section 715.84 of the Revised Code.

(D) No county elected officer may be required to exercise any power, perform any function, or render any service under an agreement entered into under this section without the written consent of the county elected officer. No county may enter into an agreement under this section for the exercise, performance, or rendering of any statutory powers, functions, or services of any county elected officer without the written consent of the county elected officer.

(E) No power shall be exercised, no function shall be performed, and no service shall be rendered by a contracting political subdivision or state agency pursuant to an agreement entered into under this section within a political subdivision that is not a party to the agreement, without first obtaining the written consent of the political subdivision that is not a party to the agreement and within which the power is to be exercised, a function is to be performed, or a service is to be rendered.

(F) Chapter 2744. of the Revised Code, insofar as it applies to the operation of a political subdivision, applies to the political subdivisions that are parties to an agreement and to their employees when they are rendering a service outside the boundaries of their employing political subdivision under the agreement. Employees acting outside the boundaries of their employing political subdivision while providing a service under an agreement may participate in any pension or indemnity fund established by the political subdivision to the same extent as while they are acting within the boundaries of the political subdivision, and are entitled to all the rights and benefits of Chapter 4123. of the Revised Code to the same extent as while they are performing a service within the boundaries of the political subdivision.

Amended by 130th General Assembly File No. TBD, HB 483, §101.01, eff. 9/15/2014.

Amended by 130th General Assembly File No. TBD, HB 289, §1, eff. 6/5/2014.

Amended by 129th General Assembly File No.64, HB 225, §1, eff. 3/22/2012.

### **ORC 3313.841 Sharing on cooperative basis services of supervisory, special instruction, and special education teachers.**

The boards of education and governing boards of two or more city, local, joint vocational, or exempted village school districts or educational service centers may contract in accordance with the terms of this section for the sharing on a cooperative basis of the services of supervisory teachers, special instruction teachers, special education teachers, and other licensed personnel necessary to conduct approved cooperative classes for special education and related services and gifted education.

The boards of two or more districts or service centers desiring to enroll students in such classes shall each adopt resolutions indicating such desire and designating one of the participating districts or service centers as the funding agent for purposes of this section. The district or service center designated as the funding agent shall enter into an employment contract with each licensed teacher whose services are to be shared among the participating districts and service centers. In turn, the funding agent shall enter into contracts with each of the districts and service centers which have adopted resolutions agreeing to participate in the cooperative program upon terms agreed to by all parties to such contract. Such contracts between districts and service centers shall set forth the services to be provided by the licensed teacher employed by the funding agent whose services are to be shared by the participating districts and service centers and the basis for computing the amounts to be paid for such services to the funding agent by the participating districts and service centers.

For purposes of section 3317.0213 of the Revised Code, the funding agent shall count all pupils enrolled in cooperative programs for pupils with disabilities as pupils enrolled in such programs in the funding agent district. Upon receipt of payment for such programs, the funding agent district shall credit the account of districts participating in the cooperative program for the amounts due under contracts entered into under the terms of this section in proportion to the number of resident students enrolled in the cooperative program from each participating district and service center.

In determining the terms of the contract entered into by the funding agent district or service center and the participating districts and service centers, the superintendent of schools of each participating board of education and governing board shall serve as a committee which shall recommend such terms to such boards.

Amended by 130th General Assembly File No. 25, HB 59, §101.01, eff. 9/29/2013.  
Effective Date: 07-01-1998; 2007 HB119 09-29-2007

## OAC 3301-51-09 Delivery of services.

### (A) Least restrictive environment (LRE)

Each school district shall ensure that to the maximum extent appropriate, children with disabilities, including children in public or nonpublic institutions or other care facilities, are educated with children who are nondisabled.

### (B) LRE requirements

#### General

(1) Except as provided in rule 3301-51-07 of the Administrative Code regarding children with disabilities in adult prisons, each school district shall adopt and implement written policies and procedures approved by the Ohio department of education, office for exceptional children, to ensure that the school district meets the LRE requirements of this rule.

(2) Each school district must ensure that:

(a) To the maximum extent appropriate, children with disabilities, including children in public or nonpublic institutions or other care facilities, are educated with children who are nondisabled; and

(b) Special classes, separate schooling, or other removal of children with disabilities from the regular educational environment occurs only if the nature or severity of the disability is such that education in regular classes with the use of supplementary aids and services cannot be achieved satisfactorily.

### (C) Continuum of alternative placements

(1) Each school district must ensure that a continuum of alternative placements is available to meet the needs of children with disabilities for special education and related services.

(2) The continuum required in paragraph (C)(1) of this rule must:

(a) Include the alternative placements listed in the definition of special education under rule 3301-51-01 of the Administrative Code (instruction in regular classes, special classes, special schools, home instruction, and instruction in hospitals and institutions); and

(b) Make provision for supplementary services (such as resource room or itinerant instruction) to be provided in conjunction with regular class placement.

### (D) Placements

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In determining the educational placement of a child with a disability, including a preschool child with a disability, each school district must ensure that:

- (1) The placement decision:
  - (a) Is made by a group of persons, including the parents and other persons knowledgeable about the child, the meaning of the evaluation data, and the placement options; and
  - (b) Is made in conformity with the LRE provisions in paragraphs (B) to (E) of this rule.
- (2) The child's placement:
  - (a) Is determined at least annually;
  - (b) Is based on the child's individualized education program (IEP); and
  - (c) Is as close as possible to the child's home;
- (3) Unless the IEP of a child with a disability requires some other arrangement, the child is educated in the school that the child would attend if nondisabled;
- (4) In selecting the LRE, consideration is given to any potential harmful effect on the child or on the quality of services that the child needs; and
- (5) A child with a disability is not removed from education in age-appropriate regular classrooms solely because of needed modifications in the general education curriculum.

(E) Nonacademic settings

In providing or arranging for the provision of nonacademic and extracurricular services and activities, including meals, recess periods, and the services and activities set forth in rule 3301-51-02 of the Administrative Code, each school district must ensure that each child with a disability participates with nondisabled children in the extracurricular services and activities to the maximum extent appropriate to the needs of that child. The school district must ensure that each child with a disability has the supplementary aids and services determined by the child's IEP team to be appropriate and necessary for the child to participate in nonacademic settings.

(F) Length of school day and school year

Each child with a disability shall be ensured:

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(1) A school day consistent with rule 3301-35-06 of the Administrative Code and consistent in length to that provided nondisabled children, with special education and related services being provided during the regular school day unless otherwise indicated on the IEP; and

(2) A school year consistent with rule 3301-35-06 of the Administrative Code and consistent in length to that provided to nondisabled children with special education and related services being implemented at the beginning of each school year.

(G) Role of preschool and school-age service providers

(1) The school district shall ensure that preschool and school-age service providers for children with disabilities participate in the district's strategic planning process as described in paragraph (A)(9) of rule 3301-35-03 of the Administrative Code.

(2) The school district shall assign early childhood, and school-age intervention specialists, or related service specialists to meet the unique educational needs of each child with a disability. The school-age service provider may provide indirect or direct services in one or any combination of instructional groupings, including large group, small group, individual instruction, or parent and teacher training and consultation.

(3) The school district shall ensure early childhood and school-age intervention specialists, or related service specialists:

(a) Serve children with disabilities to assure a free appropriate public education (FAPE) and may serve children who are not disabled where needs for these services are identified;

(b) Support regular education teachers in serving and/or consulting about children with and without disabilities so that the regular education personnel, in partnership with the special education service providers, can implement the child's IEP in the least restrictive environment;

(c) Assist in organizing and facilitating supplemental supports provided within the regular classroom;

(d) Design parent involvement activities; and

(e) Implement educational interventions and specially designed instruction which means adapting, as appropriate, to the needs of the eligible child, the content, methodology, or delivery of instruction:

(i) To address the unique needs of the child that result from the child's disability; and

(ii) To ensure access to the general curriculum so that the child can meet the educational standards adopted by the state board of education that apply to all children.

(4) The school district shall ensure services of paraprofessionals and related service assistants are supervised in accordance with Ohio law.

(H) Personnel qualifications and personnel development

(1) General

The school district must ensure that all personnel necessary to carry out the purposes of Part B of the Individuals with Disabilities Education Act, as amended by the Individuals with Disabilities Education Improvement Act of 2004, December 2004 (IDEA) shall be employed and shall be appropriately and adequately prepared and trained, including that those personnel have the content knowledge and skills to serve children with disabilities. Personnel shall have appropriate certification or licensure as defined by Chapter 3301-24 of the Administrative Code.

(2) Related services personnel and paraprofessionals

The qualifications under paragraph (H)(1) of this rule must include qualifications for related services personnel and paraprofessionals that:

(a) Are consistent with state-approved or state-recognized certification, licensing, registration, or other comparable requirements that apply to the professional discipline in which those personnel are providing special education or related services; and

(b) Ensure that related services personnel who deliver services in their discipline or profession:

(i) Meet the requirements of paragraph (H)(2)(a) of this rule; and

(ii) Have not had certification or licensure requirements waived on an emergency, temporary, or provisional basis; and

(iii) Allow paraprofessionals and assistants who are appropriately trained and supervised, in accordance with state law, regulation, or written policy, in meeting the requirements of this rule, to be used to assist in the provision of special education and related services under this rule to children with disabilities.

(a) Paraprofessionals providing services to children with disabilities shall hold an educational aide permit or associate license and meets requirements under paragraph ( I) of rule 3301-24-05 of the Administrative Code. Any school district that employs a paraprofessional shall have written policies and procedures outlining:

(i) Criteria for staff selection;

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(ii) A planned sequence of continuing education and annual training opportunities to enable the paraprofessional to continue to develop the knowledge and skills that are specific to the students with whom the paraprofessional works, including following lesson plans, implementing follow-up instructional procedures and activities, supporting effective classroom organization and behavior management, and working effectively with teachers and as part of an instructional team;

(iii) A process for direct continuing supervision by one or more licensed teachers or service providers and evaluation of the services of such personnel; and

(iv) A job description of the role and function of a paraprofessional.

(b) Personnel serving as school psychology interns shall hold a temporary pupil service license as required by paragraph (A)(5) of rule 3301-23-44 of the Administrative Code and shall be enrolled in school psychologist preparation programs while completing the program internship.

(c) Require that personnel serving as physical therapists are licensed pursuant to Chapter 4755. of the Revised Code to practice physical therapy; physical therapist assistants are licensed pursuant to Chapter 4755. of the Revised Code to assist in the provision of physical therapy services under the supervision of a licensed physical therapist; and physical therapists and physical therapist assistants practice in accordance with sections 4755.40 to 4755.56 of the Revised Code and Chapters 4755-21 to 4755-29 of the Administrative Code.

(d) Require that personnel serving as occupational therapists are licensed pursuant to Chapter 4755. of the Revised Code to practice occupational therapy; occupational therapy assistants are licensed pursuant to Chapter 4755. of the Revised Code to assist in the provision of occupational therapy services under the supervision of a licensed occupational therapist; and occupational therapists and occupational therapy assistants practice in accordance with sections 4755.04 to 4755.13 of the Revised Code and Chapters 4755-1 to 4755-9 of the Administrative Code.

### (3) Qualifications for special education teachers

The qualifications described in paragraph (H)(1) of this rule must ensure that each person employed as a public school special education teacher in the state who teaches in an elementary school, middle school, or secondary school is highly qualified as a special education teacher by the deadline established in Section 1119(a)(2) of the Elementary and Secondary Education Act of 1965, as amended by the No Child Left Behind Act of 2001, January 2002, 20 U.S.C. 6301(ESEA).

### (4) Qualifications for supervisory personnel

Personnel with supervisory responsibilities for the delivery of special education services shall be appropriately licensed.

(5) Policy

(a) School districts in the state shall take measurable steps to recruit, hire, train, and retain highly qualified personnel to provide special education and related services under this rule to children with disabilities.

(b) Personnel shall be provided professional development that aligns with school district goals and objectives and meets the changing needs of children as required by paragraph (A)(8) of rule 3301-35-05 of the Administrative Code.

(6) Rule of construction

Notwithstanding any other individual right of action that a parent or child may maintain under this rule, nothing in this rule shall be construed to create a right of action on behalf of an individual child or a class of children for the failure of a particular Ohio department of education or school district employee to be highly qualified, or to prevent a parent from filing a complaint about staff qualifications with the Ohio department of education as provided for under this rule.

(I) Service provider workload determination for delivery of services

School districts, county boards of developmental disabilities and other educational agencies shall determine workload for an individual service provider based upon all of the factors set forth in paragraphs (I)(1) to (I)(3) of this rule.

(1) Workload for an individual service provider shall be determined by the following process, which incorporates the following components:

(a) All areas of service provided to children with and without disabilities, including, but not limited to school duties, staff meetings, professional development, supervisions, travel/transitions, screening, assessment, evaluation, progress documentation and reporting, secondary transition service planning, conference/consultation pertaining to individual students, documentation for individual students, and third party billing requirements.

(b) The severity of each eligible child's need, and the level and frequency of services necessary to provide a free and appropriate public education.

(c) Time needed for planning in accordance with paragraph (A)(9) of rule 3301-35-05 of the Administrative Code including statutory and/or contractual agreements applicable to the educational agency.

(2) School-age service providers will provide specially designed instruction in accordance with the following requirements limiting the number of students per licensed professional, as set forth in paragraphs (I)(2)(a) to (I)(2)(g) of this rule.

(a) An intervention specialist shall serve no more than sixteen children at the elementary, middle, or junior high school levels, or no more than twenty-four children at the high school level with intellectual disabilities.

(i) No more than twelve children at the elementary, middle, or junior high school levels, or no more than sixteen children at the senior high school level shall be served during any one instruction period.

(ii) The age range shall not exceed sixty months within any one instructional period.

(b) An intervention specialist shall serve no more than sixteen children at the elementary, middle, or junior high school levels, or no more than twenty-four children at the high school level with specific learning disabilities.

(i) No more than twelve children shall be served during any one instructional period.

(ii) The age range shall not exceed sixty months within any one instructional period.

(c) An intervention specialist shall serve no more than ten children with hearing impairments, visual impairments, orthopedic impairments, and/or other health impairments.

(i) No more than eight children shall be served during any one instructional period.

(ii) The age range shall not exceed forty-eight months within any one instructional period.

(d) An intervention specialist shall serve no more than twelve children with emotional disturbances.

(i) No more than ten children shall be served during any one instructional period.

(ii) The age range shall not exceed forty-eight months within any one instructional period.

(iii) There should be a plan on file and in operation in the school district to provide appropriate classroom management and crisis intervention support.

(iv) In the absence of a plan, the school district shall employ at least one full-time paraprofessional in each special class for these children.

(e) An intervention specialist shall serve no more than eight children with multiple disabilities.

- (i) No more than eight children shall be served during any one instructional period.
  - (ii) The age range shall not exceed sixty months within any one instructional period.
  - (iii) There shall be at least one full-time paraprofessional in each special class for children with multiple disabilities.
- (f) An intervention specialist shall serve no more than six children with autism, deaf-blindness and/or traumatic brain injury.
- (i) The age range shall not exceed sixty months within any one instructional period; and
  - (ii) There shall be at least one full-time paraprofessional in each special class for these children.
- (g) An intervention specialist may serve multiple categories of children with disabilities. The ratio for this service shall be determined in accordance with paragraph (I)(1) of this rule and shall not exceed sixteen children at the elementary, middle, or junior high school levels, or no more than twenty-four at the high school level.
- (i) No more than sixteen children at the elementary, middle, or junior high school levels, or no more than twenty four children at the high school level shall be served during any one instructional period.
  - (ii) The age range shall not exceed sixty months within any one instructional period.
  - (iii) Indirect and direct services shall be provided in accordance with each child's IEP.
- (3) Related service providers for preschool and school-age children with disabilities shall provide specially designed instruction in accordance with the following requirements limiting the number of students per licensed professional:
- (a) An adapted physical education specialist shall provide services to no more than one hundred children with disabilities.
  - (b) An audiologist shall provide services to no more than one hundred school-age children with disabilities or no more than seventy-five preschool children with disabilities.
  - (c) An occupational therapist shall provide services to no more than fifty school-age children with disabilities or no more than forty preschool children with disabilities. An occupational therapy assistant who provides occupational therapy techniques must do so under the general supervision of an occupational therapist as required by rules 4755-7-01 and 4755-7-03 of the Administrative Code.

(d) An orientation and mobility instructor shall provide services to no more than fifty school-age children with disabilities or no more than forty preschool children with disabilities.

(e) A physical therapist shall provide services to no more than fifty school-age children with disabilities or no more than forty preschool children with disabilities. A physical therapist assistant who assists in the provision of physical therapy services must do so under the supervision of a physical therapist as required by Chapter 4755-27 of the Administrative Code.

(f) A speech and language pathologist shall provide services to no more than:

(i) Eighty school-age children with disabilities, or

(ii) No more than fifty school-age children with multiple disabilities, hearing impairments, autism, or orthopedic/other health impairments, or

(iii) No more than fifty preschool children with disabilities, or

(iv) A combination of preschool and school-age children with disabilities or children with multiple disabilities, hearing impairment, autism, or orthopedic/other health impairments proportionate to the ratios set forth in paragraphs (I)(3)(f)(i) to (I)(3)(f)(iii) of this rule.

Each school district shall provide speech and language pathology services as required by division (F) of section 3317.15 of the Revised Code.

(g) A school psychologist shall provide services to no more than :

(i) One hundred twenty-five school-age children with disabilities, or

(ii) Seventy-five preschool children with disabilities, or

(iii) A combination of preschool and school-age children with disabilities proportionate with the ratios set forth in paragraphs (I)(3)(g)(i) and (I)(3)(g)(ii) of this rule.

Psychological services are defined in paragraph (B)(54)(b)(xiii) of rule 3301-51-01 of the Administrative Code. Each school district shall provide school psychological services as required by division (F) of section 3317.15 of the Revised Code.

(4) Transition services

(a) A work-study coordinator shall provide services to seventy-five children with disabilities.

(b) A vocational special education coordinator shall provide services to fifty children with disabilities.

(5) Supervisory services

(a) A supervisor shall provide services to twenty intervention specialists who are providing services to children with disabilities; or

(b) A supervisor shall provide services to twenty speech and language pathologists; or

(c) A supervisor shall provide services to twenty school psychologists.

(d) An occupational therapy assistant must be supervised as required by rule 4755-7-01 of the Administrative Code.

(e) A physical therapist assistant must be supervised as required by Chapter 4755-27 of the Administrative Code.

(J) Housing, facilities, materials, and equipment and supplies for preschool and school-age programs

(1) Children and service providers must have a service area that will accommodate the special needs of the children in attendance and shall be large enough to accommodate the use and storage of special equipment and teaching materials. Service areas used for special education classrooms must be equivalent to those used for general education classrooms.

(2) Each service provider must have access to an office or room space suitable for private consultation or intervention; access to a telephone in an area where scheduling, parent contacts, and confidential conversations regarding children can be completed; and adequate office equipment including a locking file cabinet with a key and supplies.

(3) Service areas must be equipped with the appropriate materials, equipment, and facilities necessary to identify children with disabilities and to implement the child's IEP and meet the educational, physical, developmental, and learning needs of children within the area.

(4) The service areas for intervention specialists shall be located in the section of the building that houses regular education children of comparable age.

(5) The service areas must provide a work environment that supports service providers and is conducive to children's learning consistent with rule 3301-35-05 of the Administrative Code. Instructional materials, equipment, and technology shall be provided to support each child's progress toward meeting educational objectives as required in paragraph (I)(1) of rule 3301-35-06 of the Administrative Code.

(6) Evaluation and instructional materials and equipment shall be provided to enable the child with a disability to progress in the general curriculum or in the case of preschool, developmentally appropriate activities, and meet both IEP and performance objectives.

(7) Children with disabilities shall have the same access to textbooks, educational materials, and computer technology that is provided to regular education children.

(8) Additional materials and/or technology must be provided to allow children with disabilities access to the materials used in the general curriculum.

(9) Equipment that is utilized for children with disabilities shall be adequately maintained and promptly repaired.

#### (K) Waiver

(1) If a school district, county board of developmental disabilities or other educational agency exceeds the workload requirements in paragraph (I) of this rule a waiver request must be filed with the Ohio department of education, office for exceptional children. A school district, county board of developmental disabilities or other educational agency may be granted a waiver for individual service provider limits or for age-range per instructional period as required by this rule.

(2) Requests must be submitted in writing to the Ohio department of education, office for exceptional children or office of early learning and school readiness. The written request shall include, but not be limited to, the following:

(a) Identification of the specific rule for which a waiver is being requested;

(b) Specific period of time for which the waiver is requested; and

(c) Rationale for the request.

(3) Each school district, county board of developmental disabilities or other educational agency shall annually review the reason for its request as it plans for the delivery of services through the strategic planning process as required by paragraph (A) of rule 3301-35-03 of the Administrative Code.

#### (L) Prohibition on mandatory medication

##### (1) General

School district personnel are prohibited from requiring parents to obtain a prescription for substances identified under schedules I, II, III, IV, or V in Section 202(c) of the Controlled Substances Act as amended and specified in the Anabolic Steroids Control Act of 1990, November

1990, 21 U.S.C. 812(c) for a child as a condition of attending school, receiving an evaluation under rule 3301-51-06 of the Administrative Code, or receiving services under this rule.

(2) Rule of construction

Nothing in paragraph (L)(1) of this rule shall be construed to create a federal prohibition against teachers and other school personnel consulting or sharing classroom-based observations with parents or guardians regarding a child's academic and functional performance, or behavior in the classroom or school, or regarding the need for evaluation for special education or related services under rules 3301-51-03 and 3301-51-06 of the Administrative Code.

Effective: 07/01/2014  
R.C. 119.032 review dates: 03/13/2014 and 07/01/2019  
Promulgated Under: 119.03  
Statutory Authority: 3301.07, 3301.07(J) , 3323.02, 3323.04, 3323.07  
Rule Amplifies: 3323.02, 3323.04, 3323.07 , 3323.11  
Prior Effective Dates: 7/1/2002, 7/1/2008, 07/23/2010



# Appendix C

**Appendix C** includes guidance from the United States Department of Education, Office of Special Education and Rehabilitative Services, relative to the maintenance of effort requirements for services to children with disabilities.



UNITED STATES DEPARTMENT OF EDUCATION  
OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES

Date: July 27, 2015

**MEMORANDUM**

**TO:** Chief State School Officers  
State Directors of Special Education

**FROM:** Melody Musgrove, Ed.D.  
Director  
Office of Special Education Programs (OSEP)

Contact Person: Gregg Corr  
Telephone: 202-245-7309

OSEP MEMO 15-10

**SUBJECT:** Issuance of Guidance on the Final Local Educational Agency (LEA) Maintenance of Effort (MOE) Regulations under Part B of the Individuals with Disabilities Education Act (IDEA)

The purpose of this Memorandum is to provide a question and answer (Q&A) document on the final LEA MOE regulations that were published in the Federal Register on April 28, 2015.<sup>1</sup> These regulations became effective on July 1, 2015. OSEP encourages State educational agencies (SEAs) and LEAs to review carefully the final regulations and the attached guidance and work collaboratively to ensure that the regulations are implemented correctly. The major changes in the final regulations include: (1) Clarification of the eligibility standard; (2) Clarification of the compliance standard; (3) Explanation of the Subsequent Years rule; and (4) Specification of the consequences for an LEA's failure to maintain effort.

The attached Q&A document explains the above terms, describes the actions that SEAs and LEAs must take to meet the MOE compliance standard and the eligibility standard, answers frequently asked questions about LEA MOE, and shares examples to facilitate and enhance SEAs' and LEAs' understanding of LEA MOE.

OSEP intends to issue a second Q&A document on LEA MOE to address issues that were not affected by the change to the regulations. The topics to be addressed will include the allowable exceptions and adjustment to the LEA MOE requirement, and the interaction between the LEA MOE adjustment and the voluntary use of funds for coordinated early intervening services.

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This Memorandum and the attached questions and answers are available at <https://osep.grads360.org/#program> and <http://www2.ed.gov/about/offices/list/osers/osep/policy.html>.

We hope that you find this information helpful. If you or members of your staff have questions, please contact Gregg Corr or your State Contact in OSEP’s Monitoring and State Improvement Planning Division.

Thank you for your continued commitment to improving results for children and youth with disabilities and to ensuring that the rights of children and their parents are protected.

Attachment

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<sup>1</sup> 80 Fed. Reg. 23644 (Apr. 28, 2015).



## **IDEA PART B SUPPLEMENTAL REGULATIONS**

### **LOCAL EDUCATIONAL AGENCY (LEA) MAINTENANCE OF EFFORT (MOE)**

**ISSUED APRIL 28, 2015  
AND EFFECTIVE JULY 1, 2015**

**NON-REGULATORY GUIDANCE**

July 2015

Office of Special Education Programs  
Office of Special Education and Rehabilitative Services  
U.S. Department of Education

Questions and Answers on IDEA Part B Local Educational Agency Maintenance of Effort Requirements

**INTRODUCTION**

The Office of Special Education and Rehabilitative Services (OSERS) issues this document to provide State educational agencies (SEAs), local educational agencies (LEAs), parents, advocacy organizations, and other interested parties with information regarding the LEA maintenance of effort (MOE) requirement in Part B of the IDEA.<sup>1</sup>

The LEA MOE requirement was first added to the IDEA in the 1997 amendments and the 1999 implementing regulations. The purpose of the requirement is to ensure that LEAs provide the financial support necessary to make a free appropriate public education (FAPE) available to eligible children with disabilities. The Department identified a need for revisions to the LEA MOE requirement based upon fiscal monitoring, audits and questions from States and others.

On April 28, 2015, the U.S. Department of Education (Department) published final regulations on LEA MOE.<sup>2</sup> These regulations were effective on July 1, 2015. The Subsequent Years rule for Fiscal Years<sup>3</sup> (FYs) 2014 and 2015, stated in final § 300.203(c)(1), reiterates the relevant provisions of the 2014 Appropriations Act and the 2015 Appropriations Act, respectively. As explained in the Effective Date section of the Analysis of Comments and Changes in the final rule, the 2014 and 2015 Appropriations Acts made the Subsequent Years rule applicable for Individuals with Disabilities Education Act (IDEA) Part B grants awarded on July 1, 2014, and July 1, 2015, respectively.

To provide additional clarity and act as a supplement to the revised regulations, we are issuing a two-part document in a question-and-answer format to provide guidance to the field in this complex area. Part I, as appears below, addresses the major changes in the revised regulations.

The major changes in the revised regulations include:

- Clarification of the eligibility standard;
- Clarification of the compliance standard;
- Explanation of the Subsequent Years rule; and
- Specification of the consequences for an LEA’s failure to maintain effort.

Each of these areas is discussed in more detail in this document.

Part II, to be released separately, will address related issues not addressed in changes to the regulations. These issues include the allowable exceptions, adjustment, and the interaction

<sup>1</sup> The Department published final regulations for IDEA Part B in the Federal Register on August 14, 2006, and they became effective on October 13, 2006. Supplemental IDEA Part B regulations were published on December 1, 2008, and on February 13, 2013, and became effective on December 31, 2008, and March 18, 2013, respectively.

<sup>2</sup> 80 Fed. Reg. 23644 (Apr. 28, 2015).

<sup>3</sup> The LEA MOE requirement in section 613(a) of the IDEA does not clearly specify the time period delineated by the term “fiscal year.” As such, LEAs may meet the LEA MOE requirement using their own State fiscal years (SFYs), which often cover a different range of time than do Federal fiscal years (FFYs). For clarity, references to a particular year in this document refer to the fiscal year covering that school year, unless otherwise noted.

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Questions and Answers on IDEA Part B Local Educational Agency Maintenance of Effort Requirements between the LEA MOE adjustment and the voluntary use of funds for Coordinated Early Intervening Services.

This guidance does not impose any requirements beyond those required under applicable law and regulations. The responses presented in this document generally are informal guidance representing the interpretation of the Department of the applicable statutory or regulatory requirements in the context of the specific facts presented and are not legally binding. This document is not intended to be a replacement for careful study of the IDEA and its implementing regulations.

If you are interested in commenting on this guidance, please e-mail your comments to [OSERSguidancecomments@ed.gov](mailto:OSERSguidancecomments@ed.gov) and include LEA MOE in the subject of your e-mail or write us at the following address:

Gregg Corr  
U.S. Department of Education  
Potomac Center Plaza  
550 12<sup>th</sup> Street, S.W., room 4144  
Washington, DC 20202

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Questions and Answers on IDEA Part B Local Educational Agency Maintenance of Effort Requirements

**A. GENERAL RULE**

**Authority:** §300.203<sup>4</sup>

Question A-1: What is LEA MOE?

Answer: Generally, an LEA may not reduce the amount of local, or State and local, funds that it spends for the education of children with disabilities below the amount it spent for the preceding fiscal year.<sup>5</sup> There are two components to the LEA MOE requirement – the eligibility standard (§300.203(a)) and the compliance standard (§300.203(b)).

Question A-2: What is the eligibility standard?

Answer: The eligibility standard in §300.203(a) requires that, in order to find an LEA eligible for an IDEA Part B subgrant for the upcoming fiscal year, the SEA must determine that the LEA has budgeted for the education of children with disabilities at least the same amount of local, or State and local, funds, as it actually spent for the education of children with disabilities during the most recent fiscal year for which information is available.

The eligibility standard is discussed in more detail in Section B of this document.

Question A-3: What is the compliance standard?

Answer: The compliance standard in §300.203(b) prohibits an LEA from reducing the level of expenditures for the education of children with disabilities made by the LEA from local, or State and local, funds below the level of those expenditures from the same source for the preceding fiscal year. In other words, an LEA must maintain (or increase) the amount of local, or State and local, funds it spends for the education of children with disabilities when compared to the preceding fiscal year.

The compliance standard is discussed in more detail in Section C of this document.

Question A-4: What are the four methods an LEA may use to meet the eligibility and compliance standards?

Answer: An LEA may use the following four methods to meet both the eligibility and compliance standards:

- (i) Local funds only;
- (ii) The combination of State and local funds;
- (iii) Local funds only on a per capita basis; or
- (iv) The combination of State and local funds on a per capita basis.

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<sup>4</sup> All regulatory citations in this document refer to the IDEA Part B regulations in 34 CFR part 300, unless otherwise noted.

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Questions and Answers on IDEA Part B Local Educational Agency Maintenance of Effort Requirements

Question A-5: What does “per capita” mean in the context of the LEA MOE regulations?

Answer: Per capita, in the context of the LEA MOE regulations, refers to the total amount of local, or State and local, funds either budgeted or expended by an LEA for the education of children with disabilities, divided by the number of children with disabilities served by the LEA.

Question A-6: What is the “comparison year”?

Answer: The “comparison year” refers to the fiscal year that an LEA uses to determine the amount of local, or State and local, funds it must budget or spend, in order to meet both the LEA MOE eligibility and compliance standards. The comparison year differs for each standard, and may be affected by the Subsequent Years rule. The comparison year is discussed more fully in B-2 and C-3.

Question A-7: What is the Subsequent Years rule?

Answer: The Subsequent Years rule prescribes the level of effort an LEA must meet in the year after the LEA fails to maintain effort. The Department first set out the Subsequent Years rule on April 4, 2012 in a letter to Ms. Kathleen Boundy, available at <http://www2.ed.gov/policy/speced/guid/idea/memosdcltrs/osep-04-04-2012.pdf>. At that time, the Department clarified that the level of effort that an LEA must meet in the year after it fails to maintain effort is the level of effort that would have been required in the absence of that failure and not the LEA’s actual reduced level of expenditures in the fiscal year in which it failed to meet the compliance standard. Therefore, the Department’s expectation is that SEAs and LEAs have been complying with this



interpretation since FY 2012-2013. Since that time, Congress included the Subsequent Years rule in the 2014 Appropriations Act<sup>6</sup> and the 2015 Appropriations Act.<sup>7</sup>

Example: For FY 2014-2015, an LEA must have maintained at least the same level of expenditures as it did in the preceding fiscal year, FY 2013-2014, unless it did not meet the compliance standard in that year. If it did not meet the compliance standard in FY 2013-2014, the LEA must determine what it should have spent in FY 2013-2014, which is the amount that it actually spent in the preceding fiscal year, FY 2012-2013.

For further examples illustrating the Subsequent Years rule, see Tables B and D in this guidance and Tables 1–4 and 8 in Appendix E of the final regulations.

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<sup>6</sup> Pub. L. No. 113-76, 128 Stat. 5, 394 (2014).

<sup>7</sup> Pub. L. No. 113-235, 128 Stat. 2130, 2499 (2014).

Questions and Answers on IDEA Part B Local Educational Agency Maintenance of Effort Requirements

Question A-8: May an LEA meet the compliance and/or eligibility standards using local funds only if it spent zero local dollars in the comparison year?

Answer: An LEA, including an LEA that has not spent any local funds for the education of children with disabilities since the MOE requirement was enacted in 1997, may use any of the four methods to meet the compliance and eligibility standards. Therefore, an LEA that has spent \$0 in local funds for the education of children with disabilities may meet the compliance and eligibility standards by continuing to budget and spend \$0 in local funds for the education of children with disabilities. However, the Department believes that there are very few instances where LEAs have expended \$0 in local funds for the education of children with disabilities, and reminds LEAs that they must continue to make FAPE available to all eligible children with disabilities. In addition, when demonstrating that they meet the compliance and eligibility standards using any of the four methods, LEAs must be able to provide auditable data regarding their expenditures from the relevant sources in all relevant years. Simply because an LEA does not account for local funds separately from State funds does not mean that the LEA expends \$0 in local funds for the education of children with disabilities.

Question A-9: May LEAs use their local, or State and local, funds to meet both the LEA MOE requirement and a matching or MOE requirement for a separate Federal program (e.g., Medicaid or Vocational Rehabilitation)?

Answer: Yes. In fact, LEAs must include the amount of local only, or State and local, funds spent for the education of children with disabilities when calculating the level of effort required to meet the eligibility and compliance standards, even if those local only, or State and local, funds are also used to meet a matching requirement in another Federal program. The IDEA does not impose a matching requirement. In other words, an LEA that expends local, or State and local, funds for the education of children with disabilities must include those funds in its LEA MOE calculations regardless of whether it uses those same funds to comply with a matching or other MOE requirement (of course, an LEA that uses the local funds only method to meet the LEA MOE requirement need not include State funds in its LEA MOE calculations).

Example: An LEA expended \$4,000 in local funds for the education of children with disabilities in FY 2013–2014. It properly used these funds to meet a matching or MOE requirement for Medicaid. The LEA must include the \$4,000 in local funds in its LEA MOE calculation for FY 2013–2014 even though it uses those same funds to meet a matching requirement for Medicaid.

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## **B. ELIGIBILITY STANDARD**

**Authority:** §300.203(a)

Question B-1: What is the eligibility standard?

Answer: The eligibility standard describes the MOE requirement that an LEA must meet as a condition of receiving an IDEA Part B subgrant. When reviewing an LEA's application for an IDEA Part B subgrant, the SEA must determine that the LEA budgets, for the education of children with disabilities, at least the same amount as the LEA spent for that purpose from the same source in the most recent fiscal year for which information is available, subject to the Subsequent Years rule.

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As indicated in A-4, an LEA may meet the eligibility standard using any one of the following methods:

- (i) Local funds only;
- (ii) The combination of State and local funds;
- (iii) Local funds only on a per capita basis; or
- (iv) The combination of State and local funds on a per capita basis.

The following table illustrates how the different methods work in practice:

<b>Table A. Example of How an LEA May Meet the Eligibility Standard in 2016-2017 Using Different Methods (same table as Table 7 in Appendix E of the final regulations)</b>						
<b>Fiscal Year</b>	<b>Local funds only</b>	<b>Combination of State and local funds</b>	<b>Local funds only on a per capita basis</b>	<b>Combination of State and local funds on a per capita basis</b>	<b>Child Count</b>	<b>Notes</b>
2014–2015	\$500*	\$1,000*	\$50*	\$100*	10	*The LEA met the compliance standard using all 4 methods.
2015–2016						Final information not available at time of budgeting for 2016–2017.
How much must the LEA budget for 2016–2017 to meet the eligibility standard in 2016–2017?	\$500	\$1,000	\$50	\$100		When the LEA submits a budget for 2016–2017, the most recent fiscal year for which the LEA has information is 2014–2015. It is not necessary for the LEA to consider information on expenditures for a fiscal year prior to 2014–2015 because the LEA maintained effort in 2014–2015. Therefore, the Subsequent Years rule in §300.203(c) is not applicable.

Question B-2: What is the comparison year for the LEA MOE eligibility standard?

Answer: The comparison year for the LEA MOE eligibility standard, regardless of

the method used to meet the eligibility standard, is the most recent fiscal year for which information is available. Thus, in the example in Table A, above, the comparison year is FY 2014-2015. However, if the LEA had an MOE failure in FY 2014-2015, the SEA would be required to identify the correct comparison year in order to determine whether the LEA had met the eligibility standard in FY 2016-2017. Utilizing the Subsequent Years rule, the SEA would determine the most recent fiscal year in which the LEA met MOE and for which it has information available. For example, if the LEA met MOE in FY 2013-2014, FY 2013-2014 would be the comparison year for determining whether the LEA met the eligibility standard in FY 2016-2017.

Question B-3: What is the “most recent fiscal year for which information is available”?

Answer: The “most recent fiscal year for which information is available” is the most recent fiscal year for which an LEA has final data on the amount the LEA spent in local, or State and local, funds for the education of children with disabilities. Generally, an LEA applies for an IDEA Part B subgrant in the spring. At the time of the application, the LEA typically is finalizing its budget for the next fiscal year (the “budget year”), and will not have final information on its level of expenditures for the fiscal year immediately preceding the budget year because that fiscal year has not yet ended. Therefore, the most recent fiscal year for which information is available is frequently two fiscal years prior to the budget year.

For example, in Table B below, in June 2017 an SEA reviews an LEA’s application for an IDEA Part B subgrant for FFY 2017 Part B funds, available on July 1, 2017, which means that the SEA reviews the amount the LEA has budgeted for FY 2017-2018. The most recent fiscal year for which information could be available is FY 2015-2016. This is because FY 2016-2017 has not yet concluded and, therefore, final expenditure data are not yet available for that year.

In the example in Table B below, if the LEA failed to maintain effort in FY 2015-2016, the SEA would examine the most recent fiscal year for which information is available, which would likely be FY 2014-2015. Assuming the LEA maintained effort in FY 2014-2015, the SEA would compare the amount budgeted for the education of children with disabilities for FY 2017-2018 to the amount actually expended for that purpose from the same source in FY 2014-2015. This is reflected in Table B, below.

**Table B. Example of How an LEA May Meet the Eligibility Standard in 2017-2018  
Using Different Methods and the Application of the Subsequent Years Rule  
(Same table as Table 8 in Appendix E of the final regulations)**

<b>Fiscal Year</b>	<b>Local funds only</b>	<b>Combination of State and local funds</b>	<b>Local funds only on a per capita basis</b>	<b>Combination of State and local funds on a per capita basis</b>	<b>Child Count</b>	<b>Notes</b>
2014–2015	\$500*	\$1,000*	\$50*	\$100*	10	
2015–2016	\$450	\$1,000*	\$45	\$100*	10	
2016–2017						Final information not available at time of budgeting for 2017-2018.

How much must the LEA budget for 2017–2018 to meet the eligibility standard in 2017–2018?	\$500	\$1,000	\$50	\$100	If the LEA seeks to use a combination of State and local funds, or a combination of State and local funds on a per capita basis, to meet the eligibility standard, the LEA does not consider information on expenditures for a fiscal year prior to 2015–2016 because the LEA maintained effort in 2015–2016 using those methods. However, if the LEA seeks to use local funds only, or local funds only on a per capita basis, to meet the eligibility standard, the LEA must use information on expenditures for a fiscal year prior to 2015–2016 because the LEA did not maintain effort in 2015–2016 using either of those methods, per the Subsequent Years rule. That is, the LEA must determine what it should have spent in 2015–2016 using either of those methods, and that is the amount that the LEA must budget in 2017–2018.
*LEA met MOE using this method.					

Questions and Answers on IDEA Part B Local Educational Agency Maintenance of Effort Requirements

Question B-4: What process should an SEA use to determine an LEA’s eligibility for a Part B subgrant?

Answer: For the eligibility standard, an SEA has discretion to determine the type and amount of information it requires an LEA to submit in order to determine whether the LEA has met the eligibility standard, as long as the SEA has sufficient information to determine on an annual basis that the LEA budgets, for the education of children with

disabilities, at least the same amount, from at least one of the following sources, as the LEA spent for that purpose from the same source for the most recent fiscal year for which information is available (subject to the Subsequent Years rule): (i) local funds only; (ii) the combination of State and local funds; (iii) local funds only on a per capita basis; or (iv) the combination of State and local funds on a per capita basis.

It is not necessary for the SEA to review a detailed budget, so long as the SEA has sufficient information to determine if the LEA meets the eligibility standard. For example, these regulations do not require LEAs to submit budgets broken down by object codes or line items. However, the Department would expect an LEA to submit information on the amount of funds budgeted for the education of children with disabilities and any additional information an SEA would need to determine eligibility (for example, an explanation of any applicable exceptions or adjustment, the relevant numbers of children with disabilities if the LEA seeks to establish eligibility on a per capita basis, etc.)

**Question B-5:** May an LEA change the method it uses to establish eligibility from one year to the next?

**Answer:** Yes. An LEA may change methods to establish eligibility from one year to the next, as long as the LEA uses the same method for calculating the amount it spent in the comparison year and the amount it must budget in the year for which it is establishing eligibility. For example, an LEA met the MOE eligibility standard using local funds only in FY 2015-2016.

That LEA wishes to meet the MOE eligibility standard using a combination of State and local funds in FY 2016-2017. In order to do so, the LEA calculates the amount it expended for the education of children with disabilities using a combination of State and local funds in the most recent fiscal year in which the LEA met MOE using that method and for which information is available. As a practical matter, many LEAs will meet the eligibility standard for a fiscal year using more than one method.

**Question B-6:** May an LEA use a different method to establish eligibility than it used in the comparison year to meet the compliance standard?

**Answer:** Yes. When establishing eligibility, an LEA is not required to use the same method it used to meet the compliance standard in the most recent fiscal year for which information is available. When an LEA is budgeting for the education of children with disabilities, the LEA selects a method by which it

Questions and Answers on IDEA Part B Local Educational Agency Maintenance of Effort Requirements

intends to meet the eligibility standard. If the LEA met the compliance standard using the same method in the most recent fiscal year for which information is available, the LEA must budget at least that amount (after taking into consideration the exceptions and adjustment in §§300.204 and 300.205, as permitted by §300.203(a)(2)) in order to meet the eligibility standard.

Pursuant to the Subsequent Years rule in §300.203(c), if the LEA did not meet the compliance standard using that method in the most recent fiscal year for which information is available, the LEA determines the amount that the LEA should have spent for the education of children with disabilities using that same method in the most recent fiscal year for which information is available. In that case, the LEA must budget at least that amount (after taking into consideration the exceptions and adjustment in §§300.204 and 300.205, as permitted by §300.203(a)(2)) in order to meet the eligibility standard.

For example, an LEA seeks to use a combination of State and local funds on a per capita basis to meet the eligibility standard in FY 2016-2017. The LEA determines the amount it expended for the education of children with disabilities using that same method in the most recent fiscal year for which information is available, which, in this case, is FY 2014-2015. The LEA determines that it met the compliance standard using the same method in FY 2014-2015. Therefore, after taking into account the exceptions and adjustment in §§300.204 and 300.205, the LEA determines that, in order to meet the eligibility standard in FY 2016-2017 using a combination of State and local funds on a per capita basis, it must budget for FY 2016-2017 at least the same amount it spent in FY 2014-2015 using the same method.

Question B-7: How does an LEA establish eligibility if it did not receive an IDEA Part B subgrant in “the most recent fiscal year for which information is available”?

Answer: In such a case, the LEA uses the comparison year in §300.203(a)(1), which is “the most recent fiscal year for which information is available,” even if the LEA did not receive an IDEA Part B subgrant in that year. For example, an LEA received an IDEA Part B subgrant in 2013-2014, but did not receive one in 2015-2016. When seeking to establish eligibility for a subgrant in FY 2017-2018, the LEA determines that the most recent fiscal year for which information is



available is FY 2015-2016. The LEA must budget for FY 2017-2018 at least the same amount that it expended in local only, or State and local, funds, for the education of children with disabilities in FY 2015-2016.

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**Question B-8:** Is an LEA required to provide budget amendments to the SEA if its expenditures change during a fiscal year, after the SEA determines that the LEA is eligible for a Part B subgrant for that fiscal year?

**Answer:** No. Once an SEA has determined an LEA's eligibility, the LEA does not need to provide amendments that reflect changes in expenditures in order to remain eligible for that year.

**Question B-9:** What happens if an LEA does not meet the eligibility standard?

**Answer:** If an SEA determines that an LEA does not meet the MOE eligibility standard using any of the four eligibility methods in §300.203(a), the SEA must provide the LEA with reasonable notice that the SEA has determined the LEA not eligible for an IDEA Part B subgrant and provide the LEA an opportunity for a hearing, pursuant to §300.221. If the SEA determines that the LEA is not eligible to receive a Part B subgrant for that fiscal year, the SEA retains the Part B subgrant that the LEA would have received, and the SEA is required to provide special education and related services directly to children with disabilities residing in the area served by that LEA pursuant to §300.227.

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Questions and Answers on IDEA Part B Local Educational Agency Maintenance of Effort Requirements

**C. COMPLIANCE STANDARD**

**Authority:** §300.203(b)

**Question C-1:** What is the compliance standard?

**Answer:** The compliance standard is an expenditure test to determine whether an LEA, in fact, met the requirement to maintain effort in a particular fiscal year. The compliance standard prohibits LEAs from reducing the level of expenditures from local, or State and local, funds for the education of children with disabilities below the level of those expenditures made by the LEA for that purpose from the same

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source for the preceding fiscal year, except as provided in §§300.204 and 300.205. In other words, an LEA must maintain (or increase) the amount of local, or State and local funds, it spends for the education of children with disabilities when compared to the preceding fiscal year, except as provided in §§300.204 and 300.205.

**Question C-2:** What are the four methods by which an LEA may meet the compliance standard?

**Answer:** As indicated in A-4, an LEA may meet the compliance standard using any one of the following methods:

- (i) Local funds only;
- (ii) The combination of State and local funds;
- (iii) Local funds only on a per capita basis; or
- (iv) The combination of State and local funds on a per capita basis.

The table below provides an example of how an LEA meets or does not meet the LEA MOE compliance standard using alternate methods from year to year without using the exceptions or adjustment in §§ 300.204 and 300.205.

**Table C. Example of How an LEA May Meet the Compliance Standard Using Alternate Methods from Year to Year (this table is Table 5 in Appendix E of the final regulations)**

<b>Fiscal Year</b>	<b>Local funds only</b>	<b>Combination of State and local funds</b>	<b>Local funds only on a per capita basis</b>	<b>Combination of State and local funds on a per capita basis</b>	<b>Child Count</b>
2015–2016	\$500*	\$950*	\$50*	\$95*	10
2016–2017	\$400	\$950*	\$40	\$95*	10
2017–2018	\$500*	\$900	\$50*	\$90	10

\*LEA met compliance standard using this method.

**Question C-3:** What is the comparison year for the LEA MOE compliance standard?

**Answer:** The comparison year for the compliance standard is “the preceding fiscal year.” However, due to the Subsequent Years rule in §300.203(c), the Department is, in effect, defining “the preceding fiscal year” to mean the last fiscal year in which the LEA met MOE, regardless of whether the LEA is seeking to establish compliance based on local funds only, or based on State and local funds.

The Subsequent Years rule does not prevent an LEA from using any of the four methods to meet the compliance standard in §300.203(b). However, an LEA that wishes to meet the compliance standard in a fiscal year using one particular method must be able to identify the amount of funds that the LEA expended in the most recent fiscal year in which the LEA met the compliance standard using that same method.

The table below illustrates how to calculate the required level of effort when an LEA fails to meet MOE in the preceding fiscal year.

**Table D. Example of Level of Effort Required to Meet MOE Compliance Standard in Year Following Year in Which LEA Did Not Meet MOE Compliance Standard (this table is Table 4 in Appendix E of the final regulations)**

Fiscal Year	Actual level of effort	Required level of effort	Notes
2012–2013	\$100	\$100	LEA met MOE.
2013–2014	\$90	\$100	LEA did not meet MOE.
2014–2015	\$90	\$100	LEA did not meet MOE. Required level of effort is \$100 despite LEA’s failure in 2013–2014.
2015–2016	\$110	\$100	LEA met MOE.
2016–2017	\$100	\$110	LEA did not meet MOE. Required level of effort is \$110 because LEA expended \$110, and met MOE, in 2015–2016.
2017–2018		\$110	Required level of effort is \$110, despite LEA’s failure in 2016–2017.

**Question C-4:** May an LEA switch methods from year to year to meet the compliance standard?

**Answer:** Yes. LEAs may change methods to establish compliance from one year to the next as long as the LEA is using the same method for comparing the expenditures in the comparison year to the expenditures in the year for which it is establishing compliance, and the LEA is able to provide auditable data to document that it met the compliance standard using that method in the comparison year.

For example, an LEA met the compliance standard in FY 2017-2018 using a combination of State and local funds, and using a combination of State

and local funds on a per capita basis. However, during a compliance review for FY 2017-2018, the LEA provided data to the SEA demonstrating only that it met the compliance standard for FY 2017-2018 using a combination of State and local funds on a per capita basis. This data would be sufficient for the SEA to find that the LEA met the compliance standard. Subsequently, the State conducts a compliance review to determine if the LEA met the compliance standard in the next year, FY 2018-2019. The LEA provides information to the State that demonstrates that it met the compliance standard in FY 2018-2019 using a combination of State and local funds. In order to demonstrate that it met the compliance standard using that method, the LEA provides to the State the amount of State and local funds that the LEA spent for the education of children with disabilities in FY 2017-2018 and in FY 2018-2019 so that the State is comparing each year's expenditures using the same method.

The following table demonstrates how an LEA may meet the compliance standard using alternate methods from year to year in years that the LEA used the exceptions or adjustment in §§ 300.204 and 300.205.

Questions and Answers on IDEA Part B Local Educational Agency Maintenance of Effort Requirements

**Table E. Example of How an LEA May Meet the Compliance Standard Using Alternate Methods from Year to Year and Using Exceptions or Adjustment under §§300.204 and 300.205 (this table is Table 6 in Appendix E of the final regulations)**

<b>Fiscal Year</b>	<b>Local funds only</b>	<b>Combination of State and local funds</b>	<b>Local funds only on a per capita basis</b>	<b>Combination of State and local funds on a per capita basis</b>	<b>Child Count</b>
2015– 2016	\$500*	\$950*	\$50*	\$95*	10
2016– 2017	\$400	\$950*	\$40	\$95*	10

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2017–2018	<p style="text-align: center;">\$450*</p> <p>In 2017-2018, the LEA was required to spend at least the same amount in local funds only that it spent in the preceding fiscal year, subject to the Subsequent Years rule. Therefore, prior to taking any exceptions or adjustment in §§300.204 and 300.205, the LEA was required to spend at least \$500 in local funds only.</p> <p>In 2017-2018, the LEA properly reduced its expenditures, per an exception in §300.204, by \$50, and therefore, was required to spend at least \$450 in local funds only (\$500 from 2015-2016 per Subsequent Years rule – \$50 allowable reduction per an exception under §300.204).</p>	<p style="text-align: center;">\$1,000*</p>	<p style="text-align: center;">\$45*</p> <p>In 2017-2018, the LEA was required to spend at least the same amount in local funds only on a per capita basis that it spent in the preceding fiscal year, subject to the Subsequent Years rule. Therefore, prior to taking any exceptions or adjustment in §§300.204 and 300.205, the LEA was required to spend at least \$50 in local funds only on a per capita basis.</p> <p>In 2017-2018, the LEA properly reduced its aggregate expenditures, per an exception in §300.204, by \$50.</p> <p>\$50/10 children with disabilities in the comparison year (2015-2016) = \$5 per capita allowable reduction per an exception under §300.204.</p> <p>\$50 local funds only on a per capita basis (from 2015-2016 per Subsequent Years rule) – \$5 allowable reduction per an exception under §300.204 = \$45 local funds only on a per capita basis to meet MOE.</p>	<p style="text-align: center;">\$100*</p>	<p style="text-align: center;">10</p>
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**Table E. Example of How an LEA May Meet the Compliance Standard Using Alternate Methods from Year to Year and Using Exceptions or Adjustment under §§300.204 and 300.205 (this table is Table 6 in Appendix E of the final regulations)**

Fiscal Year	Local funds only	Combination of State and local funds	Local funds only on a per capita basis	Combination of State and local funds on a per capita basis	Child Count
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2018–2019	<p>\$405</p> <p>In 2018-2019, the LEA was required to spend at least the same amount in local funds only that it spent in the preceding fiscal year, subject to the Subsequent Years rule. Therefore, prior to taking any exceptions or adjustment in §§300.204 and 300.205, the LEA was required to spend at least \$450 in local funds only.</p> <p>In 2018-2019, the LEA properly reduced its expenditures, per an exception in §300.204 by \$10 and the adjustment in §300.205 by \$10.</p> <p>Therefore, the LEA was required to spend at least \$430 in local funds only. (\$450 from 2017-2018 – \$20 allowable reduction per an exception and the adjustment under §§300.204 and 300.205).</p>	<p>\$1,000*</p> <p>Because the LEA did not reduce its expenditures from the comparison year (2017-2018) using a combination of State and local funds, the LEA met MOE.</p>	<p>\$45*</p> <p>In 2018-2019, the LEA was required to spend at least the same amount in local funds only on a per capita basis that it spent in the preceding fiscal year, subject to the Subsequent Years rule. Therefore, prior to taking any exceptions or adjustment in §§300.204 and 300.205, the LEA was required to spend at least \$45 in local funds only on a per capita basis.</p> <p>In 2018-2019, the LEA properly reduced its aggregate expenditures, per an exception in §300.204 by \$10 and the adjustment in §300.205 by \$10.</p> <p>\$20/10 children with disabilities in the comparison year (2017-2018) = \$2 per capita allowable reduction per an exception and the adjustment under §§300.204 and 300.205.</p> <p>\$45 local funds only on a per capita basis (from 2017-2018) – \$2 allowable reduction per an exception and the adjustment under §§300.204 and 300.205 = \$43 local funds only on a per capita basis required to meet MOE.</p> <p>Actual level of effort is \$405/9 (the current year child count).</p>	<p>\$111.11*</p> <p>Because the LEA did not reduce its expenditures from the comparison year (2017-2018) using a combination of State and local funds on a per capita basis (\$1,000/9 = \$111.11 and \$111.11&gt;\$100), the LEA met MOE.</p>	9
*LEA met MOE using this method.					



Questions and Answers on IDEA Part B Local Educational Agency Maintenance of Effort Requirements

**NOTE ABOUT TABLE:** When calculating any exception(s) and/or adjustment on a per capita basis for the purpose of determining the required level of effort, the LEA must use the child count from the comparison year, and not the child count of the year in which the LEA took the exception(s) and/or adjustment. When determining the actual level of effort on a per capita basis, the LEA must use the child count for the current year. For example, in 2018-2019, the LEA uses a child count of 9, not the child count of 10 in the comparison year, to determine the actual level of effort.

**Question C-5:** May an LEA use a different method to meet the compliance standard in a fiscal year that it used to meet the eligibility standard for that same year?

**Answer:** Yes. An LEA is not required to use the same method to meet the compliance standard in a fiscal year that it used to meet the eligibility standard for that same year. For example, if an LEA meets the eligibility standard for FY 2016-2017 using local funds only, it is not required to meet the compliance standard for FY 2016-2017 using local funds only. Likewise, an LEA is not required to use the same method to meet the eligibility standard in a subsequent year that it used to meet the compliance standard in a preceding fiscal year. For example, if an LEA met the compliance standard for FY 2016-2017 using a combination of State and local funds, the LEA is not required to meet the eligibility standard for FY 2017-2018 using a combination of State and local funds.

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Questions and Answers on IDEA Part B Local Educational Agency Maintenance of Effort Requirements

**D. EXCEPTIONS AND ADJUSTMENT/FLEXIBILITY**

**Authority:** §§300.204 and 300.205

**Question D-1:** What are the allowable exceptions to the LEA MOE requirement?

**Answer:** Under §300.204, there are five instances where an LEA may reduce the level of expenditures for the education of children with disabilities made by the LEA below the level of those expenditures for the preceding fiscal year (for the compliance standard), and below the

level of those expenditures for the most recent fiscal year for which information is available (for the eligibility standard). They are:

- (a) The voluntary departure, by retirement or otherwise, or departure for just cause, of special education or related services personnel (e.g., special education teachers, speech pathologists, paraprofessionals assigned to work with children with disabilities);
- (b) A decrease in the enrollment of children with disabilities;
- (c) The termination of the obligation of the agency, consistent with IDEA Part B, 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 the acquisition of equipment or the construction of school facilities; and
- (e) The assumption of cost by the high cost fund operated by the SEA under §300.704(c).

Question D-2: May an LEA apply the exceptions in §300.204 and the adjustment in §300.205 to meet both the eligibility and compliance standards?

Answer: Yes. An LEA may apply the exceptions in §300.204 and the adjustment in §300.205 to meet both the eligibility and compliance standards. When determining the amount of funds that an LEA must budget to meet the eligibility standard, the LEA may take into consideration, to the extent the information is available, the exceptions and adjustment that the LEA: (i) took in the intervening year or years between the most recent fiscal year for which information is available and the fiscal year for which the LEA is budgeting; and (ii) reasonably expects to take in the fiscal year for which the LEA is budgeting.

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Questions and Answers on IDEA Part B Local Educational Agency Maintenance of Effort Requirements

Question D-3: May an LEA reduce its required level of effort by taking more than one exception in the same fiscal year?

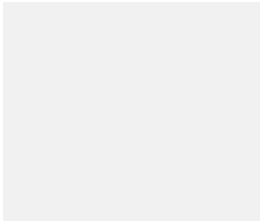
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Answer: Yes, an LEA may reduce its required level of expenditures for the education of children with disabilities by taking more than one exception in the same fiscal year. For example, an LEA may reduce its level of expenditures for the education of children with disabilities because of the voluntary departure of a special education teacher, and further reduce its level of effort for the same fiscal year because of the termination of the LEA’s obligation to provide a program of special education to a particular child with a disability that is an exceptionally costly program because the child leaves the jurisdiction of the LEA. LEAs must maintain documentation to demonstrate the LEA properly took the exceptions.

Question D-4: How does taking the exceptions in §300.204 and/or the adjustment in §300.205 affect the required amount of expenditures that an LEA must make in a subsequent year?

Answer: 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. In addition, the LEA’s actual level of expenditures in a preceding fiscal year, and not the reduced level of expenditures that the LEA could have spent had it taken all of the exceptions and the adjustment permitted by §§300.204 and 300.205, is the level of expenditures required of the LEA in a future fiscal year (which may be affected by the Subsequent Years rule).



The following table illustrates how taking, or not taking, an allowable exception or adjustment, and an increase in actual expenditures, affect the required level of effort in subsequent years.

**Table F. Comparison of Required Levels of Effort for Two Hypothetical LEAs**

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	<b>Actual FY 2015–2016 Expenditures Using a Combination of State and Local funds</b>	<b>Allowable Exception in §300.204 Taken in FY 2016–2017</b>	<b>Actual FY 2016–2017 Expenditures Using a Combination of State and Local funds</b>	<b>Required Level of Effort Using a Combination of State and Local Funds in FY 2017–2018</b>
LEA #1	\$250,000*	\$10,000	\$240,000*	\$240,000
LEA #2	\$250,000*	\$10,000	\$260,000*	\$260,000
* LEA met MOE.				

Questions and Answers on IDEA Part B Local Educational Agency Maintenance of Effort Requirements

**E. CONSEQUENCES OF LEA MOE FAILURE**

**Authority:** §300.203(d); section 452 of the General Education Provisions Act (GEPA) (20 U.S.C. 1234a)

Questions E-1: What are the consequences of an LEA’s failure to meet the MOE compliance standard?

**Answer:** If an LEA fails to meet the MOE compliance standard, the SEA is liable in a recovery action under section 452 of GEPA (20 U.S.C. 1234a) to return to the Department, using non-Federal funds, an amount equal to the amount by which the LEA failed to maintain its level of expenditures in that fiscal year, or the amount of the LEA’s IDEA Part B subgrant in that fiscal year, whichever is lower. Table G shows how to determine the amount of a required recovery based on an LEA’s failure to meet the MOE compliance standard.

**Table G. Example of How to Calculate the Amount of an LEA’s Failure to Meet the Compliance Standard in 2016–2017 and the Amount an SEA Must Return to the Department (This table is Table 10 in Appendix E of the final regulations)**

<b>Fiscal year</b>	<b>Local funds only</b>	<b>Combination of State and local funds</b>	<b>Local funds only on a per capita basis</b>	<b>Combination of State and local funds on a per capita basis</b>	<b>Child count</b>	<b>Amount of IDEA Part B subgrant</b>
2015–2016	*\$500	*\$950	*\$50	*\$95		Not relevant

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2016–2017	\$400	\$750	\$40	\$75	10	\$50
Amount by which an LEA failed to maintain its level of expenditures in 2016-2017.	\$100	\$200	\$100 (the amount of the failure equals the amount of the per capita shortfall (\$10) times the number of children with disabilities in 2016–2017 (10)).	\$200 (the amount of the failure equals the amount of the per capita shortfall (\$20) times the number of children with disabilities in 2016–2017 (10)).		
<p>The SEA determines that the amount of the LEA’s failure is \$100 using the calculation method that results in the lowest amount of a failure. The SEA’s liability is the lesser of the four calculated shortfalls and the amount of the LEA’s Part B subgrant in the fiscal year in which the LEA failed to meet the compliance standard. In this case, the SEA must return \$50 to the Department because the LEA’s IDEA Part B subgrant was \$50, and that is the lower amount.</p>						
<p>* LEA met MOE using this method.</p>						

Questions and Answers on IDEA Part B Local Educational Agency Maintenance of Effort Requirements

Question E-2: How do the GEPA requirements interact with LEA MOE?

Answer: Under 20 U.S.C. 1234b, a failure to comply with expenditure requirements, including the IDEA’s LEA MOE requirement, is a harm to an identifiable Federal interest. If an LEA fails to meet the MOE requirement, the SEA is liable in a recovery action for the amount that is proportionate to the extent of the harm the violation caused to the identifiable Federal interest – that is, the amount by which the LEA failed to maintain its level of expenditures for the education of children with disabilities, or the amount of the LEA’s Part B subgrant, whichever is lower. The SEA is responsible for ensuring that LEAs receiving an IDEA Part B subgrant comply with all applicable requirements of that statute and its implementing regulations, including the MOE requirement. If an LEA, in a particular fiscal year, fails to meet the MOE requirement, the Department has authority to take steps to recover the appropriate amount of funds from the SEA. The SEA, in turn, following applicable State procedures, could seek reimbursement from the LEA. See July 26, 2006, letter to Ms. Carol Ann Baglin, available at <http://www2.ed.gov/policy/speced/guid/idea/letters/2006-3/baglin072606moe3q2006.pdf>.

Question E-3: Why does the SEA have to pay funds when an LEA fails to meet its MOE

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requirement?

Answer: The SEA (acting on behalf of the State), not the LEA, is the grantee in the IDEA Part B program. As a condition of eligibility for an IDEA Part B grant, States must provide an assurance to the Department that the SEA is responsible for ensuring that, among other things, all requirements of Part B are met. IDEA § 612(a)(11)(A)(i) (20 U.S.C. 1412(a)(11)(A)(i)). SEAs may minimize LEA noncompliance by carefully reviewing the LEA's application for an IDEA Part B subgrant to determine if the LEA meets the eligibility standard, by monitoring for compliance on a regular basis, and by providing technical assistance to LEAs. SEAs that find an LEA is failing to comply with the MOE requirement may take further enforcement action as provided in §300.222.

Question E-4: Have the revised LEA MOE regulations modified the Department's position on the consequences of an LEA's failure to maintain effort?

Answer: No. The revised regulations cite to the recovery of funds provision in GEPA, a bill that was enacted in 1968. We included a provision addressing the consequences of an LEA's failure to maintain effort in the proposed and final regulations not because this is a change in law, but to highlight the importance of the LEA MOE requirement and the significance of the remedies for a failure to comply. In addition, the comments to the proposed LEA MOE regulations indicated that some SEAs and LEAs may not have been aware of the consequence of an LEA's failure to meet the MOE compliance standard.

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Questions and Answers on IDEA Part B Local Educational Agency Maintenance of Effort Requirements

Question E-5: How should funds be remitted to the Department?

Answer: If the SEA is remitting \$100,000 or more, it should use the FEDWIRE system. The FEDWIRE form and instructions are posted on <http://www2.ed.gov/programs/safra/fed-wire-form.pdf>. A copy of the form with a cover letter should be sent to the Office of Special Education Programs (OSEP). The cover letter should identify that these funds are being sent to the Department to pay back the Federal government for the failure of an LEA (or LEAs) to meet the MOE requirement under §300.203, are not Federal funds, and are not tied to a particular Federal grant award.

For payments less than \$100,000 as a result of an audit or monitoring finding, the SEA should cut a check and send it to a “lock box” in St. Louis, with a copy to OSEP of both the cover letter and the check. The cover letter should identify that these funds are being sent to the Department to pay back the Federal government for the failure of an LEA (or LEAs) to meet the MOE requirement under §300.203, are not Federal funds, and are not tied to a particular Federal grant award. Make the check payable to “Accounts Receivable U.S. Department of Education.”

If the repayment is a result of an audit or monitoring finding, the check should be mailed to the following address:

U.S. Department of Education  
P.O. Box 979026  
St. Louis, MO 63197-9000  
ATTN: Accounts Receivable Group/OCFO

If the repayment is made on a voluntary basis, due to the State identifying noncompliance, the check should be mailed to the following address:

U.S. Department of Education  
P.O. Box 979053  
St. Louis, MO 63197-9000  
ATTN: Accounts Receivable Group/OCFO

The letter should advise that the funds be posted to “Miscellaneous Receipts” in the unbilled lock box.

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# OHIO AUDITOR OF STATE KEITH FABER



**BROOKFIELD, LIBERTY AND MATTHEWS LOCAL SCHOOL DISTRICTS  
SHARED SERVICES FEASIBILITY STUDY**

**TRUMBULL COUNTY**

## **CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
NOVEMBER 13, 2019**