



ESS Claims

High-Cost Child Claims

ESS Program Management, September 10, 2024

Agenda

- Considerations for Funding
- High-Cost Child Claims

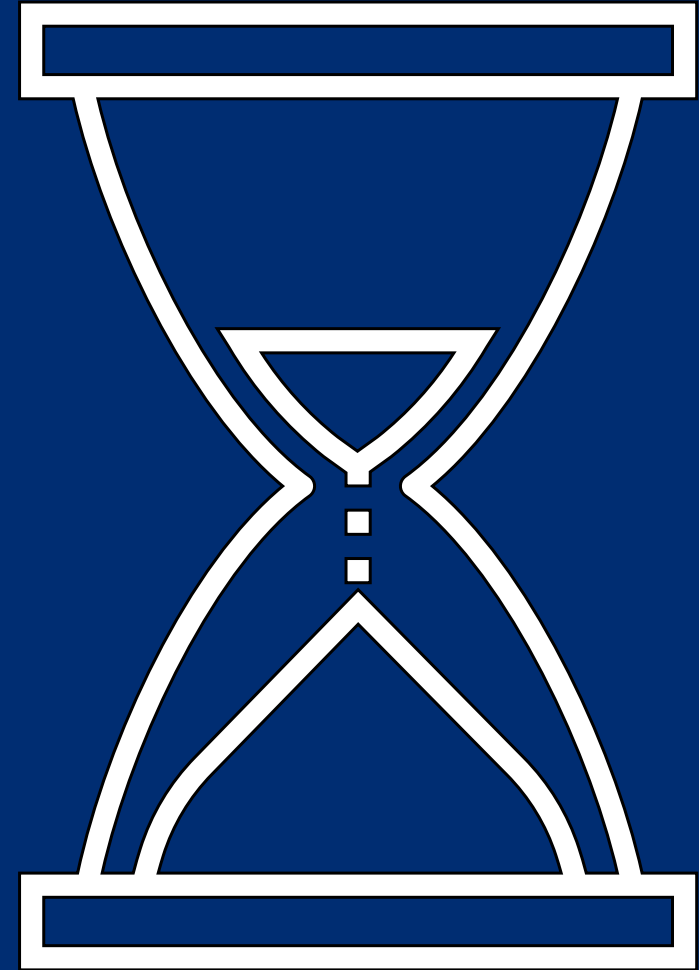


PROGRAM MANAGEMENT

The Exceptional Student Services (ESS) Program Management team distributes Individuals with Disabilities Education Act grant monies to eligible Public Education Agencies (PEA) throughout Arizona. The grant application process is facilitated through the Grants Management Enterprise (GME) system. Grants are approved, amended, and financially monitored through this system. The program management team and the program support and monitoring specialist in ESS facilitate programmatic monitoring for IDEA grants.

How Does a PEA Prioritize Funding?

1. State and local funds (M&O funds that are used to calculate Maintenance of Effort)
2. IDEA Preschool carryover
3. IDEA Basic carryover
4. IDEA Section 619 current year allocation
5. IDEA Section 611 current year allocation
6. ESS Claims (High-Cost Child)



High-Cost Child Fund

A school district or charter school is eligible to apply for an ESS Claim if it demonstrates that a student receiving special education services has incurred costs in the current year that are equal to or greater than three times the per-pupil funding average.

A student whose costs exceed \$35,004 per year would meet the minimum threshold to be considered for HCC funding.

\$194.47 per day for a 180-day calendar, approximately \$3,500 per month.

Eligibility Requirements for ESS Claims

- The PEA must be eligible for IDEA grant funding.
 - Passed MOE Eligibility testing
 - Approved for FY25 IDEA grants
- Information submitted into AzEDS must be accurate to the services provided, aligned to the IEP, and passing integrity to be considered eligible for claim reimbursement.
- Any programmatic holds, fiscal holds, or items of non-compliance with the IDEA can cause your claims to be delayed for approval or rejected completely.

FY25 High-Cost Child Claims

PEAs will be limited to submit only one claim per round.

- The HCC Specialist will return additional claims without review after one claim has been approved.

PEAs will be limited to approximately \$75,000 in awarded claims depending on available funds.

	2022	2023	2024
# of PEAs	58	67	78
# of Claims Approved	145	143	126
Amount Approved	\$3,633,076	\$3,415,817	\$3,430,460



HCC Submission Dates

Round for Funding Approval	Submission Deadline
1 st	10/25/2024
2 nd	01/31/2025
3 rd	03/28/2025
4 th	05/30/2025

The HCC Claims are competitive funding applications.

PEAs shall not exceed \$75,000 for claims approved.

PEAs should submit no more than 4 HCC Claims in FY25.

Which Student Should I Submit?

Monthly Expenses	Student A DD	Student B MD-SC	Student C MDSSI
Tuition	\$3,500	\$0	\$3,400
Transportation	\$1,500	\$0	\$1,600
Nursing	\$0	\$6,400	\$2,400
Total	\$5,000	\$6,400	\$7,400

Planning Your Claims

HCC	Student B \$6,400	Student C \$7400	Running Total
Round 1	\$ -	\$ 22,200	\$ 22,200
Round 2	\$ 38,400	\$ -	\$ 60,600
Round 3	\$ -	\$ 14,800	\$ 75,400
Round 4	\$ -	\$ -	
Total	\$ 38,400	\$ 37,000	\$ 75,400

HCC	Student B \$6,400	Student C \$7400	Running Total
Round 1	\$ -	\$ 22,200	\$ 22,200
Round 2	\$ -	\$ 22,200	\$ 44,400
Round 3	\$ -	\$ 14,800	\$ 59,200
Round 4	\$ -	\$ 14,800	\$ 74,000
Total	\$ -	\$ 74,000	\$ 74,000

Note, in FY24 the HCC funds were almost depleted by the 3rd round.

In the first example, the PEA chose the two most expensive students and alternated rounds until it met the \$75,000 funding cap.

In the second example, the PEA chose the most expensive student and submitted the single student 4 times for funding consideration at just under \$74,000 for the year.



IDEA Maintenance Of Effort

ESS Claims may impact your PEA’s ability to pass the MOE Compliance and Eligibility tests.

Method 2 is the M&O overall expenditure for All Disability Classifications, and IEP-required transportation

Method 4 is the per-pupil expenditure. Click on the difference amount to view student counts.

Use this information on the [Budget Planning Tool](#).

Eligibility Test Results Closed (Met)

In order to meet the MOE eligibility requirement in this fiscal year the district/charter must budget, at least the same total or per capita amount, of local funds or state and local funds, as it spent during the most recent year for which information is available.

	Overall	Method 1 Local Cost	Method 2 2022 State and Local Cost	Method 3 Local Per Capita Cost	Method 4 2022 State and Local Per Capita Cost
2024 Amount		N/A	\$10,322,146.00	N/A	\$10,174.55
Comparison Year Amount		N/A	\$9,011,365.00	N/A	\$9,543.53
Difference		N/A	\$1,310,781.00	N/A	\$631.02
2024 SPED Count				N/A	x 1,014,5065
Total Difference		N/A	\$1,310,781.00	N/A	\$640,172.39
Status	Met	N/A	Met	N/A	Met

IDEA Fund Eligibility Method 4 Closed (Met)

Method 4: Current Year State and Local Budgeted Amounts Per Capita Compared to the Per Capita Amounts from the Last Year Compliance Method 4 is available.

Fiscal Year	State and Local Cost	SPED Count	State and Local Per Capita Cost
2024	\$10,322,146.00	1014.5065 (Estimated from FY2023 SPED20)	\$10,174.55
2022	\$9,011,365.00	944.2381	\$9,543.53
Difference			\$631.02
Status			Met

Difference must be \$0.00 or greater to have met this MOE Test

Does Applying for HCC Affect Maintenance of Effort (MOE)?

MOE Exception E

Students who have been deemed eligible as part of the IDEA HCC can be listed in the ESS MOE application as a valid exception for reducing the obligation a public education agency must meet for Maintenance of Effort. Any students submitted into this field will be validated against information submitted to AzEDS and the HCC funding application.

Contact essprogmgmt@azed.gov to review MOE Data for more information. The [FY25 MOE Compliance webinar](#) will be held on March 4, 2025.



High-Cost Child Claims

Purpose of High-Cost Child Claims

The Individuals with Disabilities Education Act (IDEA) allows states to use 10% of their Part B funds reserved for state-level activities to establish and make disbursements from a high-cost fund to public education agencies (PEA) for students meeting the criteria of high-risk.

ADE/ESS has determined that any student with disabilities whose cost exceeds three times the per pupil average is eligible for High-Cost funding.

Excess Cost for HCC Consideration

The cost of the student must exceed three times the normal amount expended on a child in Arizona of \$11,668 (National Center for Education Statistics).

Annual Amount	Daily Rate	Calendar Days
\$35,004	\$194.47	180 days
	\$243.08	144 days
	\$175.02	200 days
	\$138.90	252 days

The amount available in FY2025 HCC funding is \$3.9 million.

Fiscal Year 2025 HCC Application Review Process

PEAs may only submit one claim to be approved per round and will be limited to no more than \$75,000 in awarded claims, depending on available funds. For HCC applications, PEAs can request the full reimbursement of costs incurred by the student in each claim period.

PEAs must prioritize the 1-2 most expensive students to submit for HCC as funds are limited.

Applications will be reviewed for completeness upon submission and only one claim per PEA will be reviewed and approved for each round of submission.

HCC Item Checklist For Applications

The following information is required for a PEA to submit a claim for reimbursement:

- State Student ID
- Current IEP
- [Summary Claim Template](#) or a crosswalk for accounting documentation
- Invoices showing costs for the High-Cost Child
 - If providing multiple invoices from vendors or payroll information for personnel working directly with a student, ESS PM requests the PEA submit a summary invoice to reflect all costs in addition to the original invoices/receipts
- Narrative on PEA letterhead describing the fiscal burden of the student's excess costs to the PEA

PEA Narrative

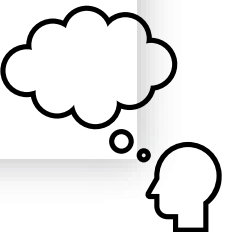
The PEA must provide a narrative written by the SPED Director or designee

- Student Name and SSID
- Examples of the costs/services associated with providing a free, appropriate public education to the child
- Evidence that the PEA has already attempted to use available funding sources to educate the student (M&O, IDEA grants, etc.)
- Description of the fiscal hardship of the PEA to provide the services described in the student's IEP

Example of Summary Claim Template

Student Name:		Pebbles Rubble		SSID:		12345678				
Claim Start Date:		7/1/2024		Claim End Date:		9/30/2024				
Record the monthly expenses for the student's claim by expense type. Use the subtotals below to submit your requested claim amount.										
Expense Types								Total		
Month	Tuition	1:1 Aide (Paraprofessional)	Transportation	Related Services (PT, OT, Speech, Counseling)	Nursing	Fees	Other*			
July	\$2,700.00	\$1,600.00	\$1,400.00	\$300.00			\$4,000.00	July Total		If Other, please describe expense(s). ASL
								\$10,000.00		
August	\$2,700.00	\$1,600.00	\$1,400.00	\$300.00			\$4,000.00	August		
								\$10,000.00		
September	\$2,700.00	\$1,600.00	\$1,400.00	\$300.00			\$4,000.00	September		
								\$10,000.00		
October								October		

[ESS Summary Claim Template](#)



HCC Claim Example

2025 HCC Applications

The following information will be required for a PEA to submit a claim for reimbursement:

- Current IEP
 - AzEDS data must match all disability categories listed on the most recent IEP
 - AzEDS data must pass all integrity rules
- Invoices showing costs for the High-Cost Child (please provide crosswalks or budget definitions as needed)
- **Narrative on PEA letterhead describing the burden of the student's excess cost to the PEA**
- The claim request date cannot exceed the date of submission
- [Claim Summary Template](#)

Claim Details

Application ID: [REDACTED]
District: [REDACTED]
SSID: [REDACTED] Student Name: [REDACTED] Birth Date: [REDACTED]
*IEP Date: [REDACTED]
*Requested Claim Amount: [REDACTED]
Claim Date Range: *Start: 7/1/2024 *End: 7/31/2024
Comments: [REDACTED]

PEA Contact Details:

*Phone: 6025423398
Alternate Contact Name: Tanya Rodriguez Alternate Email: candice.trainor@azed.gov Alternate Phone: 6025424013

PEA Contact Details must include the phone number of the person submitting the claim.

Alternate Contact information should be the SPED Director or Business Manager.

Supporting Documentation

Attachments:

<input type="checkbox"/>	Document Name	Document Type	Uploaded On
<input type="checkbox"/>	[Redacted]	Other Invoice IEP	6/13/2023 3:50:54 PM
<input type="checkbox"/>	[Redacted]	Other Invoice IEP	6/13/2023 3:50:55 PM
<input type="checkbox"/>	[Redacted]	Other Invoice IEP	6/13/2023 3:50:55 PM
<input type="checkbox"/>	Letter.pdf	Other Invoice IEP	6/13/2023 3:50:56 PM
<input type="checkbox"/>	SummaryClaimTemplate.xlsx	Other Invoice IEP	6/13/2023 3:50:57 PM

- Claim date should not extend beyond the month of submission.
- An IEP and invoice are required for every submission.
- The supporting documentation may be combined into one PDF file so long as all components are present: IEP, invoices, and narrative.
- [ESS Summary Claim Template](#) is required for FY25 applications.



Frequent Reasons the HCC Claim Was Returned by the HCC Specialist

- Invoice dates do not match the claim request date
- Date on claim doesn't match submission date
- Individual invoices do not add up to requested claim amount
 - PEA requested less than what the invoice totaled
- AzEDS data for student's LRE or private placement doesn't match IEP
- PEA submitted more than \$75,000 of claims and is not eligible for additional approvals
- Comment section on claim was left blank

Previously Approved HCC Claims

- Tuition and fees to approved private day schools (tuition, related services, transportation)
- Interpreters for HI students
- Contracted nursing
- Additional instructional personnel (1:1 aides)
- Related service providers

HCC Overview

Available funds in FY24	\$3.9 Million
Max approved for each PEA	\$75,000
Approval periods	4 rounds in 2024-2025
MOE Exception E applies	Yes
PEA can reimburse total cost of student	Yes
Eligible PEAs	IDEA Eligible PEAs (districts, secure care, and non-profit charters)

PEA Next Steps

Prioritize highest cost students in your PEA

Determine which plan you will follow for submitting claims

Submit the first claim by October

Submit 4 claims not to exceed \$75,000

Review any requests for edits or data validation by ESS HCC Specialist within 5 business days



Resources

ESS Program Management Webinars

[September 10](#): ESS Claims

[October 8](#): Proportionate Share and the October 1 Data Collection

[January 14](#): Allowable Costs Under the IDEA

[February 11](#): FY26 IDEA Funding Application

[March 4](#): Maintenance of Effort

[April 8](#): Special Education Funding: How, When, and In What Order to Spend

[May 13](#): Fiscal Year Wrap-Up

Links to presentation materials and recorded webinars are posted on the [ESS Program Management web page](#)

ESS Program Management Office Hours

ESS Program Management will also host Office Hours on Tuesday afternoons at 1:00 p.m. PEAs are invited to attend these informal virtual meetings to bring questions directly to their program specialist.

- [September 17, 2024](#)
- [October 15, 2024](#)
- [November 19, 2024](#)
- [December 10, 2024](#)
- [January 21, 2025](#)
- [February 18, 2025](#)
- [March 18, 2025](#)
- [April 15, 2025](#)
- [May 20, 2025](#)

Contact Us

ESS Program Management:
www.azed.gov/specialeducation/operations

ESS Program Management
Inbox: essprogmgmt@azed.gov

[Candice Trainor](#), Director of
Finance: 602-542-3398

PEA NAME STARTS WITH	PROGRAM SPECIALIST	NUMBER
A-B, V-Z	Nancy Chavarin	602-542-3270
C-H	Maria Durazo	602-542-3057
I-M	Tanya Rodriguez	602-542-4610
N-U	Carol Bush	602-542-0709