

# Wisconsin Act 221 - LEA Implementation Guidelines

*Last updated 2/3/2022*

Section 115.88(1m)(b), Wis. Stats., directs DPI to promulgate rules establishing the percentage of the salaries of licensed school nurses, licensed school social workers, licensed school psychologists, and licensed school counselors that are eligible for state special education categorical aid reimbursement. As required by the Act, the department has established the average percentage of work time that each category spends providing services to students with disabilities by reviewing past data collected from eligible entities. In doing so, the department has determined the percentage of salary and fringe that may be certified as costs eligible for reimbursement as follows:

Nurse (School-Based)	29%
School Social Workers	59%
School Psychologists	84%
School Counselors	10%

Due to the set percentage caps, LEAs are not required to provide supporting documentation of time worked on special education activities for the percentage of time included in the state special education categorical aid calculation. However, if any percentage of these positions are charged to a Federal grant, the actual time spent supporting the grant objectives must be based on [time and effort records](#) that accurately reflect the work performed (2 CFR § 200.430(i)).

Wisconsin Act 221 does not preclude an LEA from claiming the percentage of salary and benefits that exceeds state special education categorical aid reimbursement guidelines from other funding sources such as federal grants. For example, an LEA may claim 84% of a school psychologist's time against state special education categorical aid and the remaining 16% of time against a federal grant, assuming the LEA does not violate federal reimbursement guidelines in such areas as expenditure eligibility, time and effort records, maintenance of effort, and supplanting.

In regards to these particular positions, Wisconsin Act 221 determines the percentage of cost that is to be included in the state special education categorical aid calculation. If the appropriation is insufficient, the actual categorical aid reimbursement shall be prorated.

To be included in the special education aid calculation, the cost must be reported in fund 27 in the appropriate function with a project code of 011. If, based on this information, the amount of expense in fund 27, project code 011 is more than the allowable percentage, the LEA will be asked to move the necessary expense to project code 019 or Fund 10. The amount reported in fund 27, project code 011 will be included in the state special education categorical aid calculation.

To better illustrate how Wisconsin Act 221 is implemented, please refer to the scenarios and examples on the following pages.

**Scenario 1: An LEA employs a full time school psychologist with salary and benefits totaling \$100,000.**

**Example 1: Only local funds are used to fund this position - no grant money**

Maximum Expense Allowed		Total Local Expense	
Total Eligible Cost (all funds)	\$100,000	Total Eligible Cost (all funds)	\$100,000
multiplied by percent allowed	84%	less grant funded (all funds)	\$0
	\$84,000		\$100,000
Lower of 'maximum expense allowed' or 'total local expense':		\$84,000	
Cost to be included in the special education aid calculation:		\$84,000	
State aid reimbursement percentage (example estimate):		24%	
Total estimated state categorical aid payment on position:		\$20,412	

In Scenario 1, example 1, if the School Psychologist position is 100% special education, the LEA should code 100% of the individual’s compensation to Fund 27, split between project 011 and 019. If the School Psychologist is not 100% dedicated to special education, the remaining 26% of the position’s compensation should be coded to Fund 10 rather than Fund 27, project 019. Fund 27 should only include costs that are tied to the excess cost of providing special education instruction and related services.

**Example 2: Locally funded 84% - Federally funded 16%**

Maximum Expense Allowed		Total Local Expense	
Total Eligible Cost (all funds)	\$100,000	Total Eligible Cost (all funds)	\$100,000
multiplied by percent allowed	84%	less grant funded (all funds)	\$16,000
	\$84,000		\$84,000
Lower of 'maximum expense allowed' or 'total local expense':		\$84,000	
Cost to be included in the special education aid calculation:		\$84,000	
State aid reimbursement percentage (example estimate):		24%	
Total estimated state categorical aid payment on position:		\$20,412	

In Scenario 1, example 2, the School Psychologist position is 100% special education, with all of the position’s compensation in Fund 27, split between project 011 and a federal project code.

**Example 3: Locally funded 50% - Grant funded 50%**

Maximum Expense Allowed		Total Local Expense	
Total Eligible Cost (all funds)	\$100,000	Total Eligible Cost (all funds)	\$100,000
multiplied by percent allowed	84%	less grant funded (all funds)	\$50,000
	\$84,000		\$50,000
Lower of 'maximum expense allowed' or 'total local expense':		\$50,000	
Cost to be included in the special education aid calculation:		\$50,000	
State aid reimbursement percentage (example estimate):		24%	
Total estimated state categorical aid payment on position:		\$12,000	

In Scenario 1, example 3, the School Psychologist position is 100% special education. The LEA has chosen to use federal funds for 50% of the position, which means that only \$50,000 remains eligible for state categorical aid. Statutes s.115.88(7) and 115.88(7)(a) state that in any school year, federal operational revenues expended on aidable costs shall be deducted from costs aidable under this section BEFORE aids are calculated under this section.

**Scenario 2: An LEA employs a full time employee who is half-time Special Education Director and half-time School Psychologist. The total salary and benefits equal \$100,000.**

**Example 1: Only local funds are used to fund this position - no grant money**

Maximum Expense Allowed		Total Local Expense	
Total Eligible Cost (all funds)	\$50,000	Total Eligible Cost (all funds)	\$50,000
multiplied by percent allowed	84%	less grant funded (all funds)	\$0
	\$42,000		\$50,000
Lower of 'maximum expense allowed' or 'total local expense':		\$42,000	
Cost to be included in the special education aid calculation:		\$42,000	
State aid reimbursement percentage (example estimate):		24%	
Total estimated state categorical aid payment on position:		\$10,800	

In this example, the compensation is split between a position that falls under Act 221 and a position that is not capped under Act 221. The school psychologist portion of this position will be reimbursed at \$42,000 (84% of \$50,000) while the special education director position will be reimbursed at the full \$50,000 (prorated at 24%) - The compensation is \$100,000; with \$10,800 for the school psychologist portion and \$12,000 for the special education director position.

**Scenario 3: An LEA employs a full time School Nurse who will provide services to both students with and without IEPs. The total salary and benefits equal \$100,000.**

**Example 3: Locally funded 29% - Grant funded 71%**

Maximum Expense Allowed		Total Local Expense	
Total Eligible Cost (all funds)	\$100,000	Total Eligible Cost (all funds)	\$100,000
multiplied by percent allowed	29%	less grant funded (all funds)	\$71,000
	\$29,000		\$29,000
Lower of 'maximum expense allowed' or 'total local expense':		\$29,000	
Cost to be included in the special education aid calculation:		\$29,000	
State aid reimbursement percentage (example estimate):		24%	
Total estimated state categorical aid payment on position:		\$6,960	

In this scenario, the grant funded portion is in Fund 10, serving all students. The portion in Fund 27, capped at 29%, represents the amount of time the school nurse is providing services to students per their IEPs.

The school nurse compensation would then be covered through the following funding:

\$100,000 expenditure	\$71,000 Fund 10, Project XXX \$29,000 Fund 27, Project 011
\$71,000	Fund 10 Revenue, Federal funding such as ESSER
\$6,960	Fund 27 Revenue, State Special Education Categorical Aid
\$22,040	Fund 27, Local funds transferred from Fund 10 at year end