



Early Childhood Special Education Funding

Capitalizing Assets

Agenda

- What is Asset Capitalization
- ECSE (Fund 2213) Capital Asset Purchase Requirements
- ECSE (Fund 2213) Capitalization Threshold
- 4 Step NEEDS Assessment – Preparing for Preapproval
 - Assess IEP Needs
 - Review Existing Resources
 - Answer – Potential Solutions
 - Determine Need
- Preapproval Process
- Hardship Waiver



Recording a purchase as an asset instead of an expense

- Spreading cost over time via depreciation
- Reflects long-term value of investments

Why it matters:

- Accurate financial reporting
- Budget transparency
- Funding availability



ECSE Capital Asset Purchase Requirements

- The asset must have a value of \$25,000 or more.
- The purchase must directly support services required under students' Individualized Education Programs (IEPs)
- Prior approval must be obtained in advance from the Maine Department of Education (DOE).
- The purchase must be:
 - Fiscally responsible, and
 - Aligned with programmatic needs of ECSE.
- The asset must be depreciated using the straight-line depreciation method.
- The purchase must adhere to all local policies and procedures.



Capitalization Threshold

ECSE (2213) Funds Capital Threshold

- \$25,000 or over and/or defined by district policy (e.g., \$10,000+)
- Must be applied consistently
- Can vary by asset class and are subject to local policy
 - Useful Life Schedules:
 - Equipment
 - Capital Improvements
 - Transportation



Preparing for Capital Asset Application

4 Steps of NEEDS Assessment – School

Administrative Units (SAUs) shall:

- Step 1 - Identify current and long-term needs
- Step 2 - Identify available resources
- Step 3 - Identify potential solutions
- Step 4 - Determine the most cost-effective approach

Ensure efficiency, equity, and sustainability



ECSE Capital Purchases Steps 1-3

Step 1 - Conduct a Needs Assessment

- Determine the specific need (transportation, capital improvement – classroom, bathroom, playground, fencing, etc.).
- Gather data:
 - Usage patterns
 - Gaps in current services/space
- Define priorities (short-term vs. long-term needs).



ASSESSMENT

Step 2 - Review Existing Resources

- What resources are already available?
 - Internal staff or infrastructure
 - Community partnerships
 - Current contracts
- Can existing resources be expanded or optimized instead of adding new ones?

Step 3 – Explore Scheduling Options

- Consider alternating schedules morning/afternoon for students with specialized transportation:
- Will this reduce demand peaks to allow existing resources to meet the need?

ECSE Capital Purchases- Step 4

Step 4 - Compare

- Contract vs Staff:
- Lease vs Purchase:
- Parent or staff mileage reimbursement
 - Cost per mile as an alternative solution
- Consider scalability and long-term sustainability.

Step 4 – Cost Benefit Analysis

- Compare all options based on:
 - Direct costs (equipment, contracts, staffing)
 - Indirect costs (time, administration, training)
 - Benefits (efficiency, satisfaction, outcomes)
- Include both short-term and long-term impacts.

Step 4 - Identify the Most Cost-Effective Solution

- Balance:
 - Cost
 - Quality of service
 - Equity and accessibility
 - Sustainability
- Select the option that delivers the best overall value—not just the lowest cost.

Complete Maine DOE application

ECSE Capitalization Preapproval Process

School Administrative Units (SAUs) must obtain prior approval from the Maine Department of Education (**DOE**) before using ECSE (Fund 2213) funds to pay for capital assets with a value that equals or exceeds \$25,000. The SAU must complete an application demonstrating the assets are:

- Fiscally responsible, and
- Aligned with programmatic needs of ECSE.

Application request should be sent to Jennifer Hopkins (jennifer.l.hopkins@maine.gov) and Sandy Flacke (J.Sandy.Flacke@maine.gov).

Hardship Waiver

An SAU may request a Hardship Waiver if it can demonstrate that:

- The proposed purchase is necessary to implement IEP-required services;
- The SAU does not have sufficient local capital reserves or finance lease capacity to support the expenditure; and
- Delaying or denying the purchase would result in a failure to provide a free appropriate public education (FAPE) to eligible children.

Questions?



Contact Information



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