

LEA Maintenance of Effort





- Help ensure FAPE
- Supplement not Supplant A local educational agency (LEA) may use IDEA funds only to supplement and not supplant federal, state and local funds. However, if the LEA meets the compliance standard of MOE, then IDEA funds are in fact, supplementing those state and local expenditures.
- Ensure there are sufficient funds to serve students with disabilities

What is LEA Maintenance of Effort?



- LEAs must use expend (using state and local funds) at least as much as they did previous year on education of children with disabilities.
- Two standards:
 - <u>Eligibility</u>: Must budget at least as much as they expended in last year for which information available.
 - <u>Compliance:</u> Must actually expend at least as much as they expended in previous (comparison year)- See Subsequent Years Rule

Meeting the Eligibility Standard



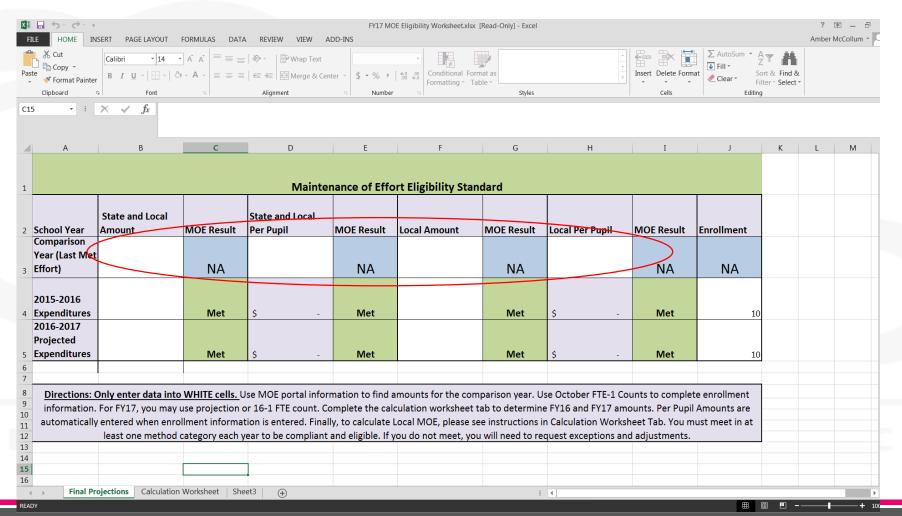
- LEAs must upload the MOE Eligibility Worksheet annually before IDEA budgets are approved.
- This worksheet compares last met effort and prior year's effort to projected expenditures and per capita expenditures.
- LEAs must BUDGET appropriate state and local expenditures to Maintain Effort.

(You may find all forms for MOE on our website using the following link: http://www.gadoe.org/Curriculum-Instruction-and-Assessment/Special-Education-Services/Pages/Budget-and-Grant-Applications.aspx)

New Eligibility Standard Form

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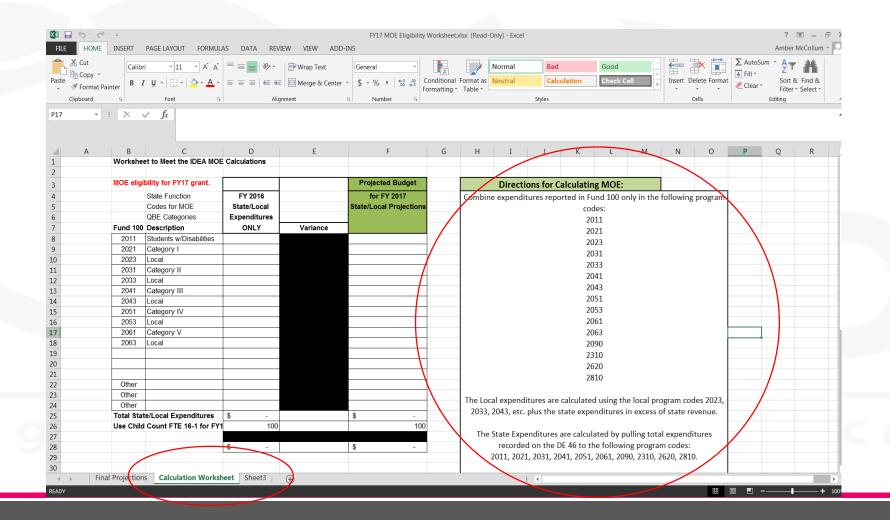
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Eligibility Calculation Tab



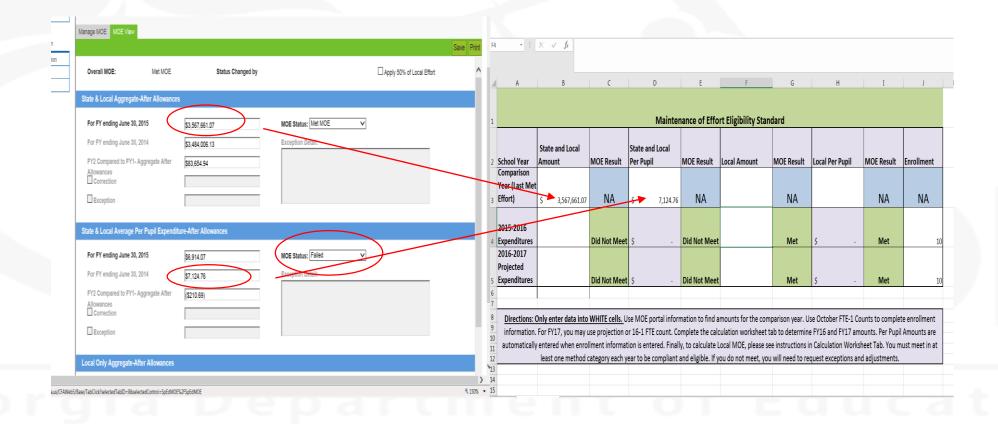
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Using the portal to complete FY17 Eligibility



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PRACTICE

Meeting the Compliance Standard



- An LEA must maintain state and local expenditures for students with disabilities in one of four ways:
 - 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.





- Enacted into law in the 2014 and 2015 Appropriations Acts.
- Defines what level of effort an LEA must meet in order to maintain effort in the year after an MOE failure:
 - Level of effort that would have been required in the absence of that failure, not the LEA's reduced level of expenditures.

Subsequent Years Rule Impact



- To determine required level of effort, must look back to last year in which LEA maintained effort
- But must look back to the last year in which it maintained effort using the same method by which it is establishing compliance.



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WHAT DOES THAT MEAN?

In what year did you last meet in each method?

Appendix E – Table 4 (Federal Register April 28, 2015)

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Fiscal Year	Actual Level of Effort	Required Level of Effort	Met MOE?
2012-2013	\$100	\$100	YES
2013-2014	\$90	\$100	NO
2014-2015	\$90	\$100	NO
2015-2016	\$110	\$100	YES
2016-2017		\$110	

Appendix E – Table 5

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(Federal Register April 28, 2015)

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Fiscal Year	Local only	State and local	Local only per capita	State and local per capita	Child count
2016	\$500	\$950	\$50	\$95	10
2017	\$400	\$950	\$40	\$95	10
2018	\$500	\$900	\$50	\$90	10



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PRACTICE

Fill in the blanks...

- 1. Which years did the LEA's meet?
- 2. Which methods could the LEA use to meet MOE each year?
- 3. Identify the amount the LEA would need to expend in 2021 using each of the four methods in order to meet that year.

Fiscal Ye	ear	Local Only Aggregate	State and Local Aggregate	Local Only Per Capita	State and Local Per Capita	Child Count
201	6	\$10,500	\$21,000			10
201	7	\$10,400	\$21,600			8
2018	8	\$10,650	\$21,500			10
2019	9	\$10,800	\$22,200			12
2020	0	\$8,900	\$22,000			10
202:	1					?



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Fiscal Year	Local Only Aggregate	State and Local Aggregate	Local Only Per Capita	State and Local Per Capita	Child Count
2016	\$10,500	\$21,000	\$1,050	\$2,100	10
2017	\$10,400	\$21,600	\$1,300	\$2,700	8
2018	\$10,650	\$21,500	\$1,065	\$2,150	10
2019	\$10,800	\$22,200	\$900	\$1,850	12
2020	\$8,900	\$22,000	\$890	\$2,200	10
2021					?





- Use of exceptions and the eligibility standard:
 - Prior regulations silent on applicability of exceptions and adjustments (§§300.204 and 205)
 - Based on comments, decision was made to explicitly allow LEAs to consider the exceptions:
 - to the extent the information is available;
 - exceptions taken in the intervening year; and
 - exceptions that LEAs reasonably expect to take in the fiscal year for which the LEA is budgeting.





- This is a really good thing because exceptions and adjustments reduce your maintenance of effort in subsequent years.
- You will now be able to use exceptions and adjustments for budgeting and planning purposes, as well as, for prevention of failure of MOE.
- We will begin processing exceptions and adjustments for FY16 during FY16, though you may still use exceptions as you normally do now.
- And the exceptions and adjustments are...





- Under IDEA, two categories allowing reduction of level of effort required to meet MOE:
 - Exceptions (§300.204)
 - Adjustment (§300.205)
- No Changes in Final Regulations.
- Under both, reduced level retained moving forward.

Exceptions: § 300.204(a)



- (a) The **voluntary** departure, by retirement or otherwise, or departure for **just cause**, of special education or related services personnel.
 - Layoffs or Reduction in Force do not count
 - LEA reduction in share of benefits do not count
 - May look at differential salary one-to-one or overall
 - May look at position by position basis
 - May look at total salary of departing Special Education teachers and existing Special Education teachers who are replacing Special Education teachers

Exceptions: § 300.204(b)



(b) A decrease in the enrollment of children with disabilities.

Exceptions: § 300.204(c)



- The termination of the obligation of the agency, consistent with this part, 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.

What does "No longer needs special education" mean?



- Child no longer requires special education.
- Or new services and placement are less costly
 - in accordance with IEP
 - LRE
 - parents are not disputing change in placement.

Exceptions: § 300.204(d)



- The termination of **costly expenditures** for l**ong-term** purchases, such as the acquisition of equipment or the construction of school facilities.
- MUST have prior approval to use this exception
 - Long term= more than one year
 - Costly expenditure

Exceptions: § 300.204(e)



- The assumption of cost by the high cost fund operated by the SEA under § 300.704(c).
 - Includes high cost funds financed through federal IDEA funds.

MOE Adjustment or Flexibility (§300.205)



- If the IDEA allocation increases, the LEA, if it meets certain conditions, may reduce its MOE level up to 50 percent of the increase in the allocation.
- Conditions
 - Providing FAPE
 - Meets Requirements
 - Has not been identified with a Significant Disproportionality

CEIS and LEA MOE Adjustment



- If you use CEIS funds, whether you use it optionally or not, it reduces the amount you may reduce using the 50% reduction.
- If you have questions regarding the 50% adjustment, please let me know.

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Documentation Requirement



- For exceptions:
 - Exceptions form (located on our website) must be submitted and approved
 - Supporting evidence must show true expenditures and must be approved
 - All documentation must be uploaded in the Consolidated Application
- For adjustment:
 - Reducing Local MOE form (on website) must be submitted and approved by established date (more to come)
- LEAs responsibility to MAINTAIN all documentation
- (You may find all forms for MOE on our website using the following link: http://www.gadoe.org/Curriculum-Instruction-and-Assessment/Special-Education-Services/Pages/Budget-and-Grant-Applications.aspx)



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How do I know when I need to use exceptions or adjustments?

adjustments?

Appendix E – Table 6 (Federal Register April 28, 2015)



Fiscal Year	Original Required Level of Effort	Exceptions & Adjustments	Required Level of Effort	Actual Level of Effort
2016	\$500		\$500	\$500
2017	\$500		\$500	\$400
2018	\$500	\$50	\$450	\$450
2019	\$450	\$10 + \$10	\$430	\$405

Appendix E – Table 6 (Federal Register April 28, 2015)



Fiscal Year	Child Count	Original Required Level of Effort	Exceptions & Adjust.	Required Level of Effort	Actual Level of Effort
2016	10	\$50		\$50	\$50
2017	10	\$50		\$50	\$40
2018	10	\$50	\$50/10	\$45	\$45
2019	9	\$45	\$20/10	\$43	\$45

Appendix E – Table 8 (Federal Register April 28, 2015)



Fiscal Year	Local only	State and local	Local only per capita	State and local per capita	Child Count
2015	\$500	\$1,000	\$50	\$100	10
2016	\$450	\$1,000	\$45	\$100	10
2017					
Required in 2018	\$500	\$1,000	\$50	\$100	

Appendix E – Table 9 (Federal Register April 28, 2015)



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	Local only	State and local	Local only per capita	State and local per capita	Child Count
Actual 2015	\$500	\$1,000	\$50	\$100	10
Exc. & Adj. taken in 2016	-\$50	-\$50	-\$5	-\$5	
Expected Exc. & Adj. for 2017	-\$25	-\$25	-\$2.50	-\$2.50	
Eligibility standard requirement in 2017	\$425	\$925	\$42.50	\$42.50	

Consequence for Failure of MOE



- Requires repayment to SEA using Non-Federal funds
 - ...an amount equal to the amount by which the LEA failed to maintain its level of expenditures in accordance with paragraph (b) of this section in that fiscal year, or the amount of the LEA's Part B subgrant in that fiscal year, whichever is lower. §300.203(d)
- SEA repays to Federal Government
- LEA MOE reverts to the previous year met...using all four methods