

LEA Maintenance of Effort

Purpose of MOE

- **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?



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- 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:
 - Eligibility: Must budget at least as much as they expended in last year for which information available.
 - Compliance: Must actually expend at least as much as they expended in previous (comparison year)- See Subsequent Years Rule

Meeting the Eligibility Standard



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- 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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FY17 MOE Eligibility Worksheet.xlsx [Read-Only] - Excel

Amber McCollum

Maintenance of Effort Eligibility Standard									
School Year Comparison Year (Last Met Effort)	State and Local Amount	MOE Result	State and Local Per Pupil	MOE Result	Local Amount	MOE Result	Local Per Pupil	MOE Result	Enrollment
2015-2016 Expenditures		Met	\$ -	Met		Met	\$ -	Met	10
2016-2017 Projected Expenditures		Met	\$ -	Met		Met	\$ -	Met	10

Directions: Only enter data into WHITE cells. Use MOE portal information to find amounts for the comparison year. Use October FTE-1 Counts to complete enrollment information. For FY17, you may use projection or 16-1 FTE count. Complete the calculation worksheet tab to determine FY16 and FY17 amounts. Per Pupil Amounts are automatically entered when enrollment information is entered. Finally, to calculate Local MOE, please see instructions in Calculation Worksheet Tab. You must meet in at least one method category each year to be compliant and eligible. If you do not meet, you will need to request exceptions and adjustments.

Final Projections Calculation Worksheet Sheet3

Eligibility Calculation Tab

FY17 MOE Eligibility Worksheet.xlsx [Read-Only] - Excel

Amber McColm

P17

Worksheet to Meet the IDEA MOE Calculations				
MOE eligibility for FY17 grant.		FY 2016 State/Local Expenditures ONLY	Variance	Projected Budget for FY 2017 State/Local Projections
Fund 100	Description			
2011	Students w/Disabilities			
2021	Category I			
2023	Local			
2031	Category II			
2033	Local			
2041	Category III			
2043	Local			
2051	Category IV			
2053	Local			
2061	Category V			
2063	Local			
	Other			
	Other			
	Other			
Total State/Local Expenditures		\$ -		\$ -
Use Child Count FTE 16-1 for FY1		100		100
		\$ -		\$ -

Directions for Calculating MOE:

Combine expenditures reported in Fund 100 only in the following program codes:

- 2011
- 2021
- 2023
- 2031
- 2033
- 2041
- 2043
- 2051
- 2053
- 2061
- 2063
- 2090
- 2310
- 2620
- 2810

The Local expenditures are calculated using the local program codes 2023, 2033, 2043, etc. plus the state expenditures in excess of state revenue.

The State Expenditures are calculated by pulling total expenditures recorded on the DE 46 to the following program codes: 2011, 2021, 2031, 2041, 2051, 2061, 2090, 2310, 2620, 2810.

Final Projections Calculation Worksheet Sheet3

Using the portal to complete FY17 Eligibility



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Manage MOE | **MOE View** | [Save](#) | [Print](#)

Overall MOE: **Met MOE** | Status Changed by: | ☐ Apply 50% of Local Effort

State & Local Aggregate-After Allowances

For FY ending June 30, 2015: | MOE Status: **Met MOE** | Exception Details:

For FY ending June 30, 2014: | Exception Details:

FY2 Compared to FY1- Aggregate After Allowances: | ☐ Correction | ☐ Exception

State & Local Average Per Pupil Expenditure-After Allowances

For FY ending June 30, 2015: | MOE Status: **Failed** | Exception Details:

For FY ending June 30, 2014: | Exception Details:

FY2 Compared to FY1- Aggregate After Allowances: | ☐ Correction | ☐ Exception

Local Only Aggregate-After Allowances

Maintenance of Effort Eligibility Standard									
School Year Comparison Year (Last Met Effort)	State and Local Amount	MOE Result	State and Local Per Pupil	MOE Result	Local Amount	MOE Result	Local Per Pupil	MOE Result	Enrollment
2015-2016 Expenditures	\$ 3,567,661.07	NA	7,124.76	NA		Met		Met	10
2016-2017 Projected Expenditures		Did Not Meet		Did Not Meet		Met		Met	10

Directions: Only enter data into WHITE cells. Use MOE portal information to find amounts for the comparison year. Use October FTE-1 Counts to complete enrollment information. For FY17, you may use projection or 16-1 FTE count. Complete the calculation worksheet tab to determine FY16 and FY17 amounts. Per Pupil Amounts are automatically entered when enrollment information is entered. Finally, to calculate Local MOE, please see instructions in Calculation Worksheet Tab. You must meet in at least one method category each year to be compliant and eligible. If you do not meet, you will need to request exceptions and adjustments.



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Meeting the Compliance Standard



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- 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.

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Subsequent Years Rule

- 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.

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Subsequent Years Rule Impact



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- 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?**

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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

(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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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 Year	Local Only Aggregate	State and Local Aggregate	Local Only Per Capita	State and Local Per Capita	Child Count
2016	\$10,500	\$21,000			10
2017	\$10,400	\$21,600			8
2018	\$10,650	\$21,500			10
2019	\$10,800	\$22,200			12
2020	\$8,900	\$22,000			10
2021					?

Answers



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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					?

Regulations

- 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.

What does that mean?

- 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...

Exceptions and Adjustments

- 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.

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Exceptions:

§ 300.204(a)



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- (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)



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

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Exceptions:

§ 300.204(c)



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- 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.**

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What does “No longer needs special education” mean?



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- 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.

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Exceptions: § 300.204(d)



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- The termination of **costly expenditures** for **long-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)



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- 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.

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MOE Adjustment or Flexibility (§300.205)



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- 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

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CEIS and LEA MOE Adjustment



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- 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>)

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

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Appendix E – Table 6

(Federal Register April 28, 2015)



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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

Sources: OSEP Leadership Conference 2015: <https://appam.certain.com/mobile/419#/main/basic/78>
Also see Federal Register: April 28, 2015

Appendix E – Table 6

(Federal Register April 28, 2015)



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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)



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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



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- 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

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