SELDA
The Special Education Director’s Guide to Understanding Maintenance of Effort

Department of Special Education Services and Supports
Malissa Roberts, Program Specialist
Where Do I Start?
Getting There
I’ve Got This!
Learning Targets

• Understand Maintenance of Effort (MOE) Regulatory Guidance
• Understand the MOE Calculation
• Obtain a Working Understanding of the MOE Eligibility Worksheet
• Understand Exceptions and Adjustments
• Know Where To Find MOE Resources
34 CFR §300.202 Use of amounts explains the appropriate use of IDEA, Part B funds for students with disabilities. It states:
(a) General. Amounts provided to the LEA under Part B of the Act—
   (1) Must be expended in accordance with the applicable provisions of this part;
   (2) Must be used only to pay the excess costs of providing special education and related services to children with disabilities, consistent with paragraph (b) of this section; and
   (3) Must be used to supplement State, local, and other Federal funds and not to supplant those funds.
Federal Requirement to Supplement, Not Supplant

In other words:

LEAs may not use IDEA, Part B funds as the primary source for educating students with disabilities.
IDEA MOE Overview

• LEAs must use/expend (using state and local funds) at least as much as they did in the comparison year on the education of children with disabilities.

• **Two standards:**
  • **Eligibility:** Must budget and project at least as much as expended in the comparison year.
  
  • **Compliance:** Must actually expend at least as much as they expended in previous comparison year.
Show What You Know!

Please type your response in the chat.

True or False?
There are two standards for Maintenance of Effort. The Eligibility standard and Compliance standard.
Meeting the Eligibility Standard

LEA must intentionally BUDGET appropriate state and local expenditures and follow through with planned expenditure amounts to Maintain Effort.
The Methods of MOE Calculation

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.
Meeting the Eligibility Standard

Viewed through 3-Year Lens

• Required effort Last Year Met
  • This is the comparison year.
  • These amounts were recorded the last time the Compliance Standard was assessed.
  • From finalized totals reported on DE046
  • These are in the MOE Portal
## 2021 MOE Eligibility Worksheet

<table>
<thead>
<tr>
<th>School Year</th>
<th>State and Local Amount</th>
<th>MOE Result</th>
<th>State and Local Per Pupil</th>
<th>MOE Result</th>
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<th>Local Per Pupil</th>
<th>MOE Result</th>
<th>Students with Disabilities Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comparison Year (Last Met Effort)</td>
<td></td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>2019-2020 Expenditures</td>
<td>$</td>
<td>-</td>
<td>Met</td>
<td>$</td>
<td>-</td>
<td>-</td>
<td>Met</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>2020-2021 Projected Expenditures</td>
<td>$</td>
<td>-</td>
<td>Met</td>
<td>$</td>
<td>-</td>
<td>-</td>
<td>Met</td>
<td>$</td>
<td></td>
</tr>
</tbody>
</table>

Directions: Only enter data into WHITE cells. Use MOE portal information to find amounts for the comparison year. In the portal it is referred to as "Projected Effort". Use October FTE-1 SWD CHILD FIND Counts to complete enrollment information. For FY21, you may use projection or 20-1 FTE count. Complete the calculation worksheet tab to determine FY20 and FY21 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.
Meeting the Eligibility Standard
Viewed through 3-Year Lens

- Reported effort **One Year Ago**
  - Effort for this year is compared to the comparison year required effort amount.
  - These amounts are reported on the MOE Worksheet by the LEA after fiscal year closeout, but **before** DE046 totals are finalized.
# 2021 MOE Eligibility Worksheet

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Meeting the Eligibility Standard
Viewed through 3-Year Lens

- **Current Year** Projected Effort
  - Effort for this year is compared to the effort reported for one year ago.
  - These amounts are projected by the LEA as a demonstration of the plan to maintain effort by budgeting as much or more funds as was spent one year ago.
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Remember:

1) When completing the eligibility worksheet, the LEA must project meeting in at least one method each year.

2) If the LEA does not project meeting in one method in each year, the LEA must take Early Exceptions.
### Calculating Expenditures

#### Worksheet to Meet the IDEA MOE Calculations

The Calculation should NOT be altered.

<table>
<thead>
<tr>
<th>LEA Function</th>
<th>Codes for MOE</th>
<th>QBE Categories</th>
<th><strong>FY 2020</strong></th>
<th><strong>State/Local Expenditures</strong></th>
<th><strong>Variances</strong></th>
<th><strong>Projected Budget for FY 2021</strong></th>
<th><strong>State/Local Projections</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total State Expenditures:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fund 100, 150 and 599</td>
<td>Description (when including local charters in Fund 599 exclude object 594)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>Students w/Disabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>Category I</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2031</td>
<td>Category II</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2041</td>
<td>Category III</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2051</td>
<td>Category IV</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2061</td>
<td>Category V</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2081</td>
<td>Non-Instructional Special Education Expenditures</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2310</td>
<td>Tuition for Multi-Handicapped Children</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2820</td>
<td>Preschool Handicapped State Grant</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2810</td>
<td>Rule 10 - Special Education (Support Costs)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total State Expenditures Reported</strong></td>
<td>0.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total State Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Excess of State Expenditures Over State Revenues</strong></td>
<td>0.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Local Expenditures:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fund 100</td>
<td>Description</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2023</td>
<td>Local - Category I</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2033</td>
<td>Local - Category II</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2043</td>
<td>Local - Category III</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2053</td>
<td>Local - Category IV</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2063</td>
<td>Local - Category V</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Excess of State Expenditures Over State Revenues (calculated above)</strong></td>
<td>0.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

As reported on the Annual Financial Report (DE 46)

Expenditures coded to State program codes in excess of the State Revenue received.
Helpful Tips

Calculations Page

- Do not alter any part of the calculations page
- Use only the program codes included on the calculations page
- Program Code 9999 is not included in the calculation
- Complete both the prior year and current year columns
- Be sure to get enrollment count information
- Make sure all information transfers to eligibility worksheet
Show What You Know!

Please type your response in the chat.

How many methods are there for Maintenance of Effort?

**Four methods**
- State and Local
- State and Local per Pupil
- Local
- Local per pupil
Show What You Know!

Please type your response in the chat.

In how many methods must an LEA meet in order to meet the MOE Eligibility standard?

One method in each year
Let’s Browse and Complete part of the MOE Eligibility Worksheet.
Consolidated Application

→ Log in
Let’s Browse…

The Consolidated Application: SpEd MOE Portal

→ Select ‘Home’
Let’s Browse…

The Consolidated Application: SpEd MOE Portal

Note: Select FY2019 and use the Projected Effort for each of the four methods to complete the Comparison Year row of the MOE Eligibility Worksheet.
# 2021 MOE Eligibility Worksheet

**Complete the Comparison Year Row**

<table>
<thead>
<tr>
<th>School Year</th>
<th>MOE Result</th>
<th>State and Local Per Pupil</th>
<th>MOE Result</th>
<th>Local Amount</th>
<th>MOE Result</th>
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<td>NA</td>
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<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>2019-2020 Expenditures</td>
<td>Met</td>
<td>$</td>
<td>Met</td>
<td>$</td>
<td>Met</td>
<td>$</td>
<td>Met</td>
<td>1</td>
</tr>
<tr>
<td>2020-2021 Projected Expenditures</td>
<td>Met</td>
<td>$</td>
<td>Met</td>
<td>$</td>
<td>Met</td>
<td>$</td>
<td>Met</td>
<td>1</td>
</tr>
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Meeting the Eligibility Standard

The Eligibility standard is assessed **annually** at the time of budget submission.

The MOE Eligibility worksheet compares three years of overall expenditures and per pupil expenditures.

The Eligibility standard is assessed by reviewing the MOE Eligibility Worksheet.

LEA must upload a **completed** Eligibility Worksheet as an attachment in the Consolidated Application.
Meeting the Compliance Standard

LEAs have four options to demonstrate meeting the MOE requirement:

| Local funds only | State and Local funds | Local per pupil | State and Local per pupil |

Financial Review runs the Compliance Test after the DE046 submission deadline.
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.
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.
WHAT DOES THAT MEAN?
In what year did you last meet in each method?
### Example #1

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Actual Expenditure</th>
<th>Required Level of Effort</th>
<th>Met MOE?</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014-2015</td>
<td>$100</td>
<td>$100</td>
<td>YES</td>
</tr>
<tr>
<td>2015-2016</td>
<td>$90</td>
<td>$100</td>
<td>NO</td>
</tr>
<tr>
<td>2016-2017</td>
<td>$90</td>
<td>$100</td>
<td>NO</td>
</tr>
<tr>
<td>2017-2018</td>
<td>$110</td>
<td>$100</td>
<td>YES</td>
</tr>
<tr>
<td>2018-2019</td>
<td>$110</td>
<td>$110</td>
<td>Yes</td>
</tr>
</tbody>
</table>
Example #2

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Local only</th>
<th>State and local</th>
<th>Local only per capita</th>
<th>State and local per capita</th>
<th>Child count</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$500</td>
<td>$950</td>
<td>$50</td>
<td>$95</td>
<td>10</td>
</tr>
<tr>
<td>2018</td>
<td>$400</td>
<td>$950</td>
<td>$40</td>
<td>$95</td>
<td>10</td>
</tr>
<tr>
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<td>$900</td>
<td>$50</td>
<td>$90</td>
<td>10</td>
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</table>
Let’s Practice

Fill in the blank…
1) Looking at 2018, did the LEA meet MOE compliance?

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Local Only Aggregate</th>
<th>State and Local Aggregate</th>
<th>Local Only Per Capita</th>
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</tr>
<tr>
<td>2018</td>
<td>$10,400</td>
<td>$21,600</td>
<td>1,300</td>
<td>2,700</td>
<td>8</td>
</tr>
<tr>
<td>2019</td>
<td>$8,900</td>
<td>$21,000</td>
<td>890</td>
<td>2,200</td>
<td>10</td>
</tr>
</tbody>
</table>

Yes
Fill in the blank…

2) In which methods did the LEA meet in 2018?

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<thead>
<tr>
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<td>$21,000</td>
<td>890</td>
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<td>10</td>
</tr>
</tbody>
</table>
Fill in the blank…

2) In 2019, did the LEA meet MOE compliance?

<table>
<thead>
<tr>
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<td>2,100</td>
<td>10</td>
</tr>
<tr>
<td>2018</td>
<td>$10,400</td>
<td>$22,600</td>
<td>1,300</td>
<td>2,700</td>
<td>8</td>
</tr>
<tr>
<td>2019</td>
<td>$8,900</td>
<td>$21,000</td>
<td>890</td>
<td>2,200</td>
<td>10</td>
</tr>
</tbody>
</table>

No
Ensuring MOE Compliance

• Collaborate with Finance director and other Key personnel
• Review Prior Fiscal year as baseline
• Consider your budget drivers
  • # of students served and the needs of students
  • # of employees
  • Contracted Labor Cost
  • Professional Development needs
  • New Initiatives – programs and other resources to support initiative
• Know what is being charged to Special Education
• Establish an actual to budget reporting mechanism
• Establish a process for systematically reviewing expenditures
• Review coding of expenditures
Oh No, I don’t meet!
I didn’t meet. Now what?

The LEA must revisit the following:

Exceptions
Adjustment
OR
Repay Funds
Allowable Exceptions

- Voluntary Departure of Personnel
- Decrease in the Enrollment of Students with Disabilities
- Termination of the Obligation of the High Cost Student
- Termination of Costly Expenditures from Long Term Purchases
- Assumption of Cost by the High Cost Fund
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 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.**
     - Child no longer requires special education.
     - Or new services and placement are less costly
       1. in accordance with IEP
       2. LRE
       3. parents are not disputing change in placement.
Exceptions: § 300.204(d)

- The termination of **costly expenditures** for long-term purchases, such as the acquisition of equipment or the construction of school facilities.
  - Long term = more than one year
  - Costly expenditure
  - Requires Prior Approval
Exceptions: § 300.204(e)

• The assumption of cost by the high cost fund operated by the SEA under § 300.704(c).
• This means the LEA received a High Cost Grant
Documentation Requirements

For exceptions:

• Exceptions form must be submitted and approved
• Supporting evidence must show true expenditures and must be approved
• All documentation must be uploaded in the Consolidated Application
### Exceptions to Maintenance of Effort Form

As part of the IDEA, Part B application approval process, applicants must comply with 34 CFR 300.203, Maintenance of Effort. The U.S. Department of Education determines compliance with this requirement by comparing actual state and local special education expenditures for the most recent fiscal year to actual expenditures made in the preceding fiscal year.

The IDEA 2004 and its fiscal regulation 34 CFR 300.204 Exception to Maintenance of Effort allows for the following exceptions to maintenance of effort:

a. The voluntary departure, by retirement or otherwise, or departure for just cause, of special education personnel or related service personnel;

b. A decrease in the enrollment of children with disabilities;

c. The termination of the obligation of an LEA, 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 state educational agency, because the child –
   i. has left the jurisdiction of the LEA;
   ii. has reached the age at which the obligation of the LEA to provide a free appropriate public education to the child has terminated;
   iii. no longer needs such program of special education;

d. The termination of costly expenditures for long-term purchases, such as the acquisition of equipment or construction of school facilities;

e. The assumption of cost by the high cost fund operated by the SEA under §300.704(c).

**NOTE:** When determining maintenance of effort, the Georgia Department of Education checks the amount of state and local special education expenditures and then the per pupil amount. Compliance MOE expenditure reports for the current year are compared to the last year’s maintained effort expenditures (in each of the four methods). The district can use the above allowable exceptions to reduce the MOE amount. If a district is required to pay back funds, non-federal funds must be used.
It is Fiscally Responsible to take Early Exceptions!
MOE Adjustment (§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
  • Has not been identified with a Significant Disproportionality
MOE Adjustment Form

Use of IDEA Funds to Adjust Local Fiscal Effort in Certain Years (34 CFR § 300.205 Maintenance of Effort (MOE))

IDEA 2004 allows an LEA to treat up to 50% of the increase only in IDEA funds from the previous year to reduce local MOE expenditures. If an LEA decides to use these funds, it must use the form below to calculate the maximum available to be used.

NOTE: The LEA must use an amount of local funds equal to the reduction in expenditures to carry out activities that could be supported with funds under ESEA regardless of whether the LEA is using funds under ESEA for those activities. However, if the LEA is unable to establish and maintain programs of FAPE or the state performance targets are at issue then GaDOE shall prohibit this reduction. The amount of funds used in Early Intervening Services shall count toward the maximum amount of expenditures that the LEA may reduce their local fiscal effort (see Maintenance of Effort and Early Intervening Services in Appendix D of the federal regulations).

1. Initial IDEA 611 allocation for current year: $__________
2. Initial IDEA 611 allocation for previous year: $__________
3. Difference (line 1 – line 2) if >0: $__________
4. Line 3 X 50%: $__________ X .50
5. Maximum 50% reduction of local MOE $__________
6. Maximum available for use in CEIS: $__________ *If disproportionate, LEA is required to use 15% maximum for CEIS of IDEA 611 and Preschool 619 funds
7. Amount committed to Optional CEIS $__________
8. Difference of Optional CEIS and Maximum CEIS (line 5 - line 6) that could be used for local MOE reduction $__________

Narrative on the use of these funds in an ESEA related activity is required.

Regular education operation of schools in ESEA approved activities for the same amount.
Must track these expenditures to ensure full 50% reduction of local MOE.
Documentation Requirements

For adjustment:

• MOE adjustment form must be submitted and approved

• LEA is responsible for maintaining all documentation

• All MOE forms are located on our website: http://www.gadoe.org/Curriculum-Instruction-and-Assessment/Special-Education-Services/Pages/Budget-and-Grant-Applications.aspx
Best Practices

✓ Establish Adequate Procedures to review Budget and Consistently Review Special Education Expenditures

✓ Accurately Project Expenditures based on activities/changes

✓ Work Closely with Finance Director
  ▪ Ensure appropriate coding by reviewing relevant expenditure reports (i.e., payroll and detailed expenditure reports)
  ▪ Review Staffing Changes
  ▪ Start Early and Meet Often!

✓ Identify and Take Early Exceptions
Questions
Resources

Budget, Grants and Consolidated Application

FY 2019 Allocations
- FY 2019 Final Allocations
- FY 2018 Final Allocations
- Indirect Costs Calculator
- Sample District Budget Worksheet
- Budget Pages
- IDEA Allowable Expenditures

FY 2019 Consolidated Application
- LEA Consolidated Application Navigation Manual
- Consolidated Application Requirements
  - 2019 IDEA Budget Submission Checklist
  - Forms

Maintenance of Effort
- 2019 MOE Eligibility Worksheet
- LEA Maintenance of Effort Training Webinar
- LEA Maintenance of Effort Training PowerPoint
- Exceptions to MOE Compliance Requirement Form
- MOE Adjustment Form
- New Charter MOE Requirement Form

LEA Excess Cost Calculation
- Submission Updates for 2018 Results Webinar
- Excess Cost Excel Template
- IDEA Excess Cost Handbook

Resources for Guidance
- High Cost and Residential and Reintegration Grant Submission
  - High Cost and Residential and Reintegration Grant Submission PowerPoint
- OCRS and ONET5 Fiscal Cross-Functional Monitoring Webinar
- IDEA Fiscal Indicators for Cross-Functional Monitoring Webinar
- FY18 IDRA Budgeting Best Practices and Requirements
- Proportionate Share Process PowerPoint
- Time and Effort Reporting PowerPoint
- Financial Management Complaints
- Equitable Services for Private and Home School Students Webinar
- FY10 Cross-Functional Monitoring Document
- FY10 IDRA Fiscal Monitoring Checklist
- Federal Programs Monitoring
Contact Us
We’re Here to Help!

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