4 Ways to Get a Handle on Maintenance of Effort

SELDA
July 19, 2023

Georgia Department of Education
Special Education Services and Supports Division
Nicole Croom, Program Specialist
Agenda

• Federal requirement to supplement, not supplant
• Maintenance of Effort (MOE) requirement
• Methods to Meet MOE
• MOE Eligibility Worksheet
• Ways to Reduce MOE
• Resources
#1 Be Familiar with the Federal Regulations
Federal Requirement to Supplement, Not Supplant

34 CFR § 300.202 Use of amounts explains the appropriate use of IDEA, Part B funds for students with disabilities.

(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

Supplanting Tests

Two methods to determine whether a local educational agency (LEA) is meeting the federal requirement:
#2 Be Aware of Last Met Effort
What is Maintenance of Effort (MOE)?

- Federal requirement that an LEA must budget and spend at least the same amount of local or state and local funds as it did the previous year on educating students with disabilities.
- LEA effort = LEA state and/or local expenditures
## Purpose of MOE

The LEA MOE requirement helps to ensure that LEAS:

1. Expend at least a certain level of non-federal funds for the education of students with disabilities
2. Continue to expend the funds necessary to provide a free appropriate public education (FAPE)
3. Have sufficient funds to serve students with disabilities
4. Use IDEA Part B, funds to **supplement** state, local, and other federal funds and not to **supplant** those funds
MOE Standards
Required MOE Levels

**Eligibility Standard**
(MOE level for budgeting)
An LEA must **budget** at least the same amount or more as expended in the comparison year.

**Compliance Standard**
(MOE level for spending)
An LEA must **expend** at least the same amount or more as expended in the comparison year.

**NOTE:**
The **comparison year** refers to the fiscal year that an LEA uses to determine the amount of funds it must budget or expend to meet the MOE standards (the last year the LEA met MOE).
Methods to Meet MOE

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

1. local funds only;
2. the combination of state and local funds;
3. local funds only on a per pupil basis; or
4. the combination of state and local funds on a per pupil basis.
Methods to Meet MOE

a. 1

**POLL #1:** In how many methods must an LEA maintain effort for students with disabilities?

a. 2
b. 4
Meeting the Eligibility Standard

**PLANNING**
LEA must intentionally budget appropriate state and local expenditures.

**IMPLEMENTATION**
LEA must follow through with planned expenditure amounts to maintain effort.
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** MOE Eligibility Worksheet as an attachment in the Consolidated Application (Con App).
# Fiscal Year (FY) 24 MOE Eligibility Worksheet

## Final Projections Tab

<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>
<th>Local Amount</th>
<th>MOE Result</th>
<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>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>2022-2023 Expenditures</td>
<td>$</td>
<td>-</td>
<td>Met</td>
<td>$</td>
<td>-</td>
<td>Met</td>
<td>$</td>
<td>-</td>
<td>Met</td>
</tr>
<tr>
<td>2023-2024 Projected Expenditures</td>
<td>$</td>
<td>-</td>
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<td>$</td>
<td>-</td>
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<td>$</td>
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<td>Met</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 FY24, you may use projection or 23-1 FTE count. Complete the calculation worksheet tab to determine FY23 and FY24 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.
## FY24 MOE Eligibility Worksheet

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## FY24 MOE Eligibility Worksheet
### Final Projections Tab

### Maintenance of Effort Eligibility Standard

<table>
<thead>
<tr>
<th>School Year</th>
<th>State and Local Amount</th>
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<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
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<td>Met</td>
<td>$</td>
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<td>$</td>
<td>Met</td>
<td>1</td>
</tr>
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<td>2023-2024 Projected Expenditures</td>
<td>$</td>
<td>Met</td>
<td>$</td>
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</tr>
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FY24 MOE Eligibility Worksheet
Calculation Worksheet Tab

<table>
<thead>
<tr>
<th>LEA Function</th>
<th>FY 2023 State/Local Expenditures</th>
<th>Projected Budget for FY 2024 State/Local Projections</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund 100, 100 and 599</td>
<td>State/Local Expenditures</td>
<td>Variances</td>
</tr>
<tr>
<td>2021 Students w/Disabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2021 Category I</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2021 Category II</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2021 Category III</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2021 Category IV</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2021 Category V</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2081 Non-Instructional Special Education Expenditures</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2310 Tuition for Multi-Handicapped Children</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2320 Preschool Handicapped State Grant</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2810 Rule 16 - Special Education (Support Costs)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total State Expenditures:

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

- Use only the program codes included in the Calculations Worksheet tab
- Note that program code 9990 is not included in the MOE calculation
- Complete both the prior year and current year columns
- Be sure to get enrollment count information
- Make sure all information transfers to Final Projections tab (eligibility worksheet)
Step 1
Log in to MyGaDOE Portal
FY24 MOE Eligibility Worksheet
Calculation Worksheet Tab – Comparison Year Amounts

Step 2
Under Site Navigation, Select Consolidated Application > Special Education Programs > Special Ed MOE
Step 3

Select **Fiscal Year 2022** and use the **Projected Effort** amounts for each of the four methods to complete the **Comparison Year** row of the MOE Eligibility Worksheet.
FY24 MOE Eligibility Worksheet
Calculation Worksheet Tab – Comparison Year Amounts

[Image of worksheet with highlighted cells and instructions]

Directions: Only enter data into yellow cells. Use the MOE portal to find amounts for the comparison year. In the portal, it is referred to as "Projected Effort." Use October FTEs for Child Find Counts to complete enrollment information. For FTE, you may use a projection of 22-23 FTE count. Complete the calculation worksheet tab to determine FY22 and FY23 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 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

Important Reminders

For IDEA budget approval, the **MOE Eligibility Worksheet** must be:

• Uploaded to the Con App
  • IDEA 611 grant’s Uploaded Files tab OR general Attachments tab
• Completed (both worksheet tabs)
  • Correct comparison year amounts
  • Students with disabilities enrollment information

AND

The MOE Eligibility Worksheet must show that the LEA projects meeting in at least **one method** each year.
**FY24 MOE Eligibility Worksheet**

**Final Projections Tab Example**

**Let’s Put It to a Vote:** Is the LEA eligible to receive budget approval? No

<table>
<thead>
<tr>
<th>Maintenance of Effort Eligibility Standard</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>School Year</strong></td>
</tr>
<tr>
<td>-----------------</td>
</tr>
<tr>
<td>Comparison Year</td>
</tr>
<tr>
<td>(Last Met Effort)</td>
</tr>
<tr>
<td>2022-2023 Expenditures</td>
</tr>
<tr>
<td>2023-2024 Projected Expenditures</td>
</tr>
</tbody>
</table>

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Meeting the Compliance Standard

Financial Review runs the Compliance Test after the DE046 submission deadline.

LEAs have four options to demonstrate meeting the MOE requirement:

<table>
<thead>
<tr>
<th>Local funds only</th>
<th>State and Local funds</th>
<th>Local per pupil</th>
<th>State and Local per pupil</th>
</tr>
</thead>
</table>

Compliance (Expenditures) Standard
Two Scenarios

**POLL #2:** In which scenario did the LEA meet the compliance standard? How come the LEA did not meet the compliance standard in the other scenario?

A. The LEA expended $900,000 and met LEA MOE in FY19. In FY20, it expended $950,000.

B. The LEA expended $900,000 and met LEA MOE in FY19. In FY20, it expended $850,000.
Compliance (Expenditures) Standard
Two Scenarios

POLL #2: In which scenario did the LEA meet the compliance standard? How come the LEA did not meet the compliance standard in the other scenario?

The LEA did not maintain effort and expended $50,000 less than it did in FY19.

A. The LEA expended $900,000 and met LEA MOE in FY19. In FY20, it expended $950,000.

B. The LEA expended $900,000 and met LEA MOE in FY19. In FY20, it expended $850,000.
Subsequent Years Rule

34 CFR § 203(c)(1) Subsequent Years

“...the level of expenditures required of the LEA for the fiscal year subsequent to the year of the failure is the amount that would have been required in the absence of that failure, not the LEA’s reduced level of expenditures.”
WHAT DOES THAT MEAN?
In what year did you last meet in each method?
## Applying the Subsequent Years Rule

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Required Level of Effort ($)</th>
<th>Actual Level of Effort ($)</th>
<th>Met MOE?</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$100</td>
<td>$100</td>
<td>YES</td>
</tr>
</tbody>
</table>
# Applying the Subsequent Years Rule

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Required Level of Effort ($)</th>
<th>Actual Level of Effort ($)</th>
<th>Met MOE?</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$100</td>
<td>$100</td>
<td>YES</td>
</tr>
<tr>
<td>2019</td>
<td>$100</td>
<td>$90</td>
<td>NO</td>
</tr>
<tr>
<td>2020</td>
<td>$100</td>
<td>$90</td>
<td>NO</td>
</tr>
<tr>
<td>2021</td>
<td>$100</td>
<td>$110</td>
<td>YES</td>
</tr>
<tr>
<td>2022</td>
<td>$110</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Applying the Subsequent Years Rule Across Methods

**POLL #3:** Looking at FY21, did the LEA meet MOE compliance?  Yes

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Local Only Aggregate</th>
<th>State and Local Aggregate</th>
<th>Local Only Per Pupil</th>
<th>State and Local Per Pupil</th>
<th>Child Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>$10,500</td>
<td>$21,000</td>
<td>$1,050</td>
<td>$2,100</td>
<td>10</td>
</tr>
<tr>
<td>2021</td>
<td>$10,400</td>
<td>$21,600</td>
<td>$1,300</td>
<td>$2,700</td>
<td>8</td>
</tr>
<tr>
<td>2022</td>
<td>$8,900</td>
<td>$21,000</td>
<td>$890</td>
<td>$2,100</td>
<td>10</td>
</tr>
</tbody>
</table>
## Applying the Subsequent Years Rule Across Methods

### POLL #4: In which method(s) did the LEA meet in FY21?

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Local Only Aggregate</th>
<th>State and Local Aggregate</th>
<th>Local Only Per Pupil</th>
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<td>$8,900</td>
<td>$21,000</td>
<td>$890</td>
<td>$2,100</td>
<td>10</td>
</tr>
</tbody>
</table>
Applying the Subsequent Years Rule Across Methods: Eligibility Standard

<table>
<thead>
<tr>
<th>School Year</th>
<th>State and Local Amount</th>
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<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>2022-2023 Expenditures</td>
<td>$</td>
<td>Met</td>
<td>$</td>
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# Applying the Subsequent Years Rule Across Methods: Compliance Standard

### State & Local Aggregate

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>For FY ending June 30, 2018</td>
<td>$9,588,305.08</td>
</tr>
<tr>
<td>State and Local Effort</td>
<td>$8,855,954.13</td>
</tr>
<tr>
<td>FY2 Compared to FY1-Aggregate</td>
<td>$732,350.95</td>
</tr>
<tr>
<td>Adjustments</td>
<td></td>
</tr>
<tr>
<td>Exceptions</td>
<td></td>
</tr>
<tr>
<td>IDEA Amended Effort</td>
<td></td>
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<tr>
<td><strong>Projected Effort</strong></td>
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<tr>
<td>FY2 Compared to FY1-Aggregate</td>
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MOE: Key Takeaways

- Required level of effort (for either standard) based on the last fiscal year in which LEA MOE compliance was met.
- Must use the same calculation method when comparing the current year to the comparison year.
- If LEA meets LEA MOE by any of the four methods, LEA MOE is met.
I Didn’t Meet. Now WHAT?

The LEA generally has two options, but only one viable one:

**Option 1** - Reduce Effort

**OR**

**Option 2** - Repay Funds
#3 Be Ready to Take Exceptions or Adjustments
Basic Understanding of Exceptions

An LEA may:

• Take multiple exceptions in one year if each exception applies in that year

• Apply these exceptions to reduce its required MOE level and meet the **eligibility (budget) standard** using any of the four methods

• Apply these exceptions to reduce its required MOE level and meet the **compliance (expenditures) standard** using any of the four methods
Allowable Exceptions

34 CFR § 300.204

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

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

c. The termination of the LEA’s obligation to provide a program of special education to a particular child with a disability that is an exceptionally costly program because the child has left the LEA, reached the maximum age, or no longer needs the program;
Allowable Exceptions

34 CFR § 300.204

a. The termination of costly expenditures for long-term purchases (Must have prior approval); and/or,

b. The assumption of the cost by the high cost fund operated by the State.
Exception Example

- A veteran special education teacher paid with state and local funds retired at the end of last school year and is replaced by a less-experienced special education teacher for the current school year.
- The LEA expended $150,000 in salary and benefits on the veteran teacher last school year and will expend $90,000 on the new hire in the current school year.
- The LEA may reduce its required level of effort by $60,000 ($150,000 – $90,000) in the current school year.
### Calculating Exceptions

**State and Local Aggregate**

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>MOE Projected Effort (Required Effort)</td>
</tr>
<tr>
<td>FY24 Projected State and Local Expenditures</td>
</tr>
<tr>
<td>MOE Shortfall</td>
</tr>
</tbody>
</table>

#### Exceptions

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decline in enrollment</td>
</tr>
<tr>
<td>Voluntary departures</td>
</tr>
<tr>
<td>Total Exceptions</td>
</tr>
</tbody>
</table>

#### Applying Exceptions

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>MOE Projected Effort (Required Effort)</td>
</tr>
<tr>
<td>Total Exceptions</td>
</tr>
<tr>
<td>MOE Effort (New Effort after Applying Exceptions)</td>
</tr>
</tbody>
</table>
Timeline for Reducing MOE

• LEAs may reduce **MOE eligibility** throughout the year.
• LEAs must reduce **MOE compliance** by **March 14 reconciliation deadline** for current year reductions.
Documentation Requirements

Exceptions

- **Exceptions to MOE Compliance Requirement Form** must be submitted and approved.
- Supporting evidence must show true expenditures and must be approved.
- All documentation must be uploaded to the Con App.

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, of just cause, of special education personnel or related service personnel;
- b. A decrease in the enrollment 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 expenditure 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.
MOE Adjustment
34 CFR § 300.205

• If the IDEA 611 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
## Documentation Requirements

### MOE Adjustment

- **MOE Adjustment Form** must be submitted and approved.
- LEA is responsible for maintaining **all** documentation.
- All documentation must be uploaded to the Con App.

### 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 than 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). *

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
<th>Calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Initial IDEA 611 allocation for current year:</td>
<td>$ _____________________</td>
</tr>
<tr>
<td>2.</td>
<td>Initial IDEA 611 allocation for previous year:</td>
<td>$ _____________________</td>
</tr>
<tr>
<td>3.</td>
<td>Difference (line 1 – line 2) if &gt;0:</td>
<td>$ _____________________ * .50</td>
</tr>
<tr>
<td>4a.</td>
<td>Maximum 50% reduction of local MOE</td>
<td>$ _____________________</td>
</tr>
<tr>
<td>5.</td>
<td>Maximum available for use in CCEIS:</td>
<td>$ _____________________</td>
</tr>
<tr>
<td></td>
<td>*If disproportionate, LEA is required to use 15% maximum for CCEIS of IDEA 611 and Preschool 619 funds</td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>Amount committed to Optional CEEIS</td>
<td>$ _____________________</td>
</tr>
<tr>
<td>7.</td>
<td>Difference of Optional CEEIS and Maximum CCEIS</td>
<td>$ _____________________</td>
</tr>
</tbody>
</table>

**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.
#4 Be on Top of Expenditures
There Should Be NO Surprises!
Best Practices

☑ Work closely with finance personnel
☑ Establish adequate procedures to review the budget and consistently review special education expenditures
☑ Accurately project expenditures based on activities/changes
☑ Identify and take early exceptions
Resources

Special Education Budget Webpage

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**Budget, Grants and Consolidated Application**

**FY 2023 Allocations**
- FY 2022 Final Allocations
- FY 2021 Final Allocations
- Indirect Costs Calculator
- Budget Pages
- IDEA Allowable Expenditures

**FY 2023 Consolidated Application**
- IDEA Budget Submission Checklist
- Forms
- Proportionate Share Calculation Worksheet
- CCEIS Calculation Worksheet for Original Allocation and ARP Funds

**Maintenance of Effort**
- FY23 MOE Eligibility Worksheet
- Exceptions to MOE Compliance Requirement Form
- MOE Adjustment Form
- New Charter MOE Requirement Form
Contact Us
Contact Us
We’re Here to Help!

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