Be Like M.I.K.E.: How to Get a Handle on Maintenance of Effort

Danielle Smith, Program Manager
Nicole Croom, Program Specialist
Carla Rose, Program Specialist
Let’s See…

Whom Should I Want to Be Like?
Be Like M.I.K.E.

Manage with Intent Knowing Expectations, Effort, Expenditures, and Exceptions or Adjustments
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 Expectations
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:

- Maintenance of Effort (MOE)
- Excess Cost Calculation

Supplement, not Supplant
#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. the combination of state and local funds;
2. the combination of state and local funds on a per pupil basis;
3. local funds only; or
4. local funds only on a per pupil basis.
Methods to Meet MOE

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

a. 4  

b. 1  

c. 2
Movie Trivia

Directions:
Can you finish the well-known movie quote?
Movie Trivia

“My mama always said life was like a ______. You never know what _____.”
Movie Trivia

“My mama always said life was like a box of chocolates. You never know what you’re gonna get.”
Box of Chocolates…Not MOE!
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) 25 MOE Eligibility Worksheet
### Final Projections Tab

### Maintenance of Effort Eligibility Standard

<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><strong>Comparison Year (Last Met Effort)</strong></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></td>
</tr>
<tr>
<td>2023-2024 Expenditures</td>
<td>$</td>
<td>-</td>
<td>Met</td>
<td>$</td>
<td>-</td>
<td>Met</td>
<td>$</td>
<td>-</td>
<td>Met</td>
</tr>
<tr>
<td>2024-2025 Projected Expenditures</td>
<td>$</td>
<td>-</td>
<td>Met</td>
<td>$</td>
<td>-</td>
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<td>$</td>
<td>-</td>
<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 FY25, you may use projection or 24-1 FTE count. Complete the calculation worksheet tab to determine FY24 and FY25 amounts. Per Pupil Amounts are automatically entered when enrollment information is entered. Finally, to calculate Local MOE, please see the instructions in the 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.*
# FY25 MOE Eligibility Worksheet

## Final Projections Tab

<table>
<thead>
<tr>
<th>School Year</th>
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</tr>
</tbody>
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<th>Local Per Pupil (MOE Result)</th>
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<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>2023-2024 Expenditures</td>
<td>$ Met</td>
<td>$ Met</td>
<td>$ Met</td>
<td>$ Met</td>
<td>1 Met</td>
</tr>
<tr>
<td>2024-2025 Projected Expenditures</td>
<td>$ Met</td>
<td>$ Met</td>
<td>$ Met</td>
<td>$ Met</td>
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</tr>
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FY25 MOE Eligibility Worksheet

Calculation Worksheet Tab

Worksheet to Meet the IDEA MOE Calculations

<table>
<thead>
<tr>
<th>LEA Function</th>
<th>FY 2024 State/Local Expenditures</th>
<th>Projected Budget for FY 2025 State/Local Projections</th>
</tr>
</thead>
<tbody>
<tr>
<td>QBE Categories</td>
<td></td>
<td>Variance</td>
</tr>
</tbody>
</table>

**Total State Expenditures:**

- Fund 180, 156 and 599
  - Description (when including local charters in Fund 599 exclude object 594)
  - 2011 Students w/ Disabilities
  - 2021 Category I
  - 2031 Category II
  - 2041 Category III
  - 2051 Category IV
  - 2061 Category V
  - 2081 Non-Instructional Special Education Expenditures
  - 2319 Tuition for Multi-Handicapped Children
  - 2620 Preschool Handicapped State Grant
  - 2819 Rule 10 - Special Education (Support Costs)

**Total State Expenditures Reported:**

<table>
<thead>
<tr>
<th>0.00</th>
</tr>
</thead>
</table>

*The Calculation should NOT be altered.*

**Expenditures coded to State program codes in excess of the State Revenue received:**

<table>
<thead>
<tr>
<th>Excess of State Expenditures Over State Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Local Expenditures:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund 100 Description</td>
</tr>
<tr>
<td>--------------------------</td>
</tr>
<tr>
<td>Excess of State Expenditures Over State Revenues</td>
</tr>
<tr>
<td>calculated above</td>
</tr>
<tr>
<td>2023 Local - Category I</td>
</tr>
<tr>
<td>2033 Local - Category II</td>
</tr>
<tr>
<td>2043 Local - Category III</td>
</tr>
<tr>
<td>2053 Local - Category IV</td>
</tr>
<tr>
<td>2063 Local - Category V</td>
</tr>
</tbody>
</table>

| 0.00 | 0.00 |
FY25 MOE Eligibility Worksheet
Calculation Worksheet Tab Tips

• Use only the program codes included in the Calculation Worksheet tab
• Note that program code 9999 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 the Final Projections tab of the Eligibility Worksheet
FY25 MOE Eligibility Worksheet
Calculation Worksheet Tab – Comparison Year Amounts

Step 1
Log in to MyGaDOE Portal
FY25 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** 2023 and use the **Projected Effort** amounts for each of the four methods to complete the **Comparison Year** row of the MOE Eligibility Worksheet.
Meeting the Eligibility Standard

Important Reminders

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

- Uploaded in 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.
Activity
Spot the Revision

Directions
1. Review the MOE Portal Sheet and the completed FY25 MOE Eligibility Worksheet.
2. Identify the revisions needed to the FY25 MOE Eligibility Worksheet.
3. Shout “MOE!” once all revisions are spotted.

🏆 The first team to correctly spot all the revisions wins a PRIZE!

Time
FY25 MOE Eligibility Worksheet
Activity: Final Projections Tab

How many revisions are needed and what are they?

<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>$8,075,651.22</td>
<td>NA</td>
<td>$16,985.65</td>
<td>NA</td>
<td>$4,290,308.74</td>
<td>NA</td>
<td>$9,427.00</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>2023-2024 Expenditures</td>
<td>$8,266,276.28</td>
<td>Met</td>
<td>$15,958.06</td>
<td>Did Not Meet</td>
<td>$4,166,650.66</td>
<td>Did Not Meet</td>
<td>$8,043.73</td>
<td>Did Not Meet</td>
<td>518</td>
</tr>
<tr>
<td>2024-2025 Projected Expenditures</td>
<td>$8,348,234.38</td>
<td>Met</td>
<td>$16,115.28</td>
<td>Did Not Meet</td>
<td>$3,749,870.36</td>
<td>Did Not Meet</td>
<td>$7,239.13</td>
<td>Did Not Meet</td>
<td>518</td>
</tr>
</tbody>
</table>
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:

| Local funds only | State and Local funds | Local per pupil | State and Local per pupil |
Compliance (Expenditures) Standard

Two Scenarios

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

The LEA did not maintain effort and expended $50,000 less than it did in FY22.

A. The LEA expended $900,000 and met MOE in FY22. In FY23, it expended $950,000.

B. The LEA expended $900,000 and met MOE in FY22. In FY23, 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>2019</td>
<td>$100</td>
<td>$100</td>
<td>YES</td>
</tr>
<tr>
<td>2020</td>
<td>$100</td>
<td>$90</td>
<td>NO</td>
</tr>
<tr>
<td>2021</td>
<td>$100</td>
<td>$90</td>
<td>NO</td>
</tr>
<tr>
<td>2022</td>
<td>$100</td>
<td>$110</td>
<td>YES</td>
</tr>
<tr>
<td>2023</td>
<td>$110</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Applying the Subsequent Years Rule Across Methods*

**POLL #3:** Looking at FY22, 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>2021</td>
<td>$10,500</td>
<td>$21,000</td>
<td>$1,050</td>
<td>$2,100</td>
<td>10</td>
</tr>
<tr>
<td>2022</td>
<td>$10,400</td>
<td>$21,600</td>
<td>$1,300</td>
<td>$2,700</td>
<td>8</td>
</tr>
<tr>
<td>2023</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 FY22?

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

<table>
<thead>
<tr>
<th>School Year</th>
<th>State and Local Amount</th>
<th>MOE Result</th>
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<td></td>
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<td></td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>2023-2024 Expenditures</td>
<td>$</td>
<td>-</td>
<td>Met</td>
<td>$</td>
<td>-</td>
<td>Met</td>
<td>$</td>
<td>-</td>
<td>1</td>
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<td>$</td>
<td>-</td>
<td>Met</td>
<td>$</td>
<td>-</td>
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<td>1</td>
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### Applying the Subsequent Years Rule Across Methods: Compliance Standard

#### State & Local Aggregate

<table>
<thead>
<tr>
<th>Description</th>
<th>FY ending June 30, 2022</th>
<th>FY ending June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>For FY ending June 30, 2022</td>
<td>$907,813.65</td>
<td>$903,637.42</td>
</tr>
<tr>
<td>State and Local Effort</td>
<td>$928,879.38</td>
<td>$928,879.38</td>
</tr>
<tr>
<td>FY2 Compared to FY1 - Aggregate</td>
<td>-$21,065.73</td>
<td>-$25,241.96</td>
</tr>
<tr>
<td>Adjustment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exception</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IDEA Amended Effort</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Projected Effort</strong></td>
<td><strong>$928,879.38</strong></td>
<td><strong>$928,879.38</strong></td>
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</table>
Key Takeaways*
Examples

• Required level of effort (for either standard) based on the last fiscal year in which MOE compliance was met.
• Must use the same calculation method when comparing the current year to the comparison year.
• If LEA meets 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:

• 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

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

34 CFR § 300.204

d. 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;

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

d. The assumption of the cost by the high cost fund operated by the State.
Exception Example
Voluntary Departure

• A veteran special education teacher paid with state and local funds retired at the end of the 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.
Timeline for Reducing MOE

• LEAs may reduce **MOE eligibility** throughout the year.
• LEAs must reduce **MOE compliance** by **the 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 actual 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 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; or
  iii. no longer needs such program of special education;
- d. The termination of special education or related services during the current fiscal year, as determined by the state educational agency because the child no longer needs such services;
- 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.

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### 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>Formula</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>$ ___________</td>
</tr>
<tr>
<td>4.</td>
<td>Line 3 x 50%:</td>
<td>$ ___________ x 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 CCEIS</td>
<td>$ ___________</td>
</tr>
<tr>
<td>7.</td>
<td>Difference of Optional CCEIS 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 Won’t Be Any Surprises!
Best Practices

✓ Work **closely** with finance personnel
✓ Establish adequate procedures to review the budget and consistently review special education expenditures
✓ Accurately project expenditures
✓ Identify and take early exceptions
Resources*  
Special Education Budget Webpage

**Budget, Grants and Consolidated Application**

**FY 2024 Allocations**
- FY 2024 Initial Allocations
- FY 2023 Final Allocations
- FY 2023 Initial Allocations
- Indirect Costs Calculator
- Budget Pages
- IDEA Allowable Expenditures

**FY 2024 Consolidated Application**
- IDEA Budget Submission Checklist
- Forms

**Maintenance of Effort**
- FY24 MOE Eligibility Worksheet
- Exceptions to MOE Compliance Requirement Form
- MOE Adjustment Form
- FY24 New Charter MOE Requirement Form
BE LIKE M.I.K.E.

Manage with Intent Knowing Expectations, Effort, Expenditures, and Exceptions or Adjustments
THINK LIKE M.I.K.E.

ACHIEVE LIKE M.I.K.E.

BE LIKE M.I.K.E.
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We’re Here to Help!

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