

Submitting Maintenance of Effort

*Special Programs and Data
September 2022*

Components of General Supervision



Agenda

- Maintenance of Effort Regulations
- MOE Methods
- What goes into MOE?
- CIFR MOE Calculator activity
- Exceptions & Adjustments
- MOE Not Met

Maintenance of Effort (MOE) & MOE Regulations

PSU MOE:

Why is it required and what does it mean?

- PSU MOE is required to ensure that PSUs do not replace state/local funding with federal funds
- Maintaining effort means that, in each year for the education of children with disabilities, a PSU:
 - Budgets at least as much as it expended in the most recent year it met PSU MOE
 - Expends at least as much as it expended in the most recent year it met PSU MOE

Why Require MOE?

- Purpose of PSU MOE
 - Help ensure FAPE
 - Ensure sufficient funds to serve students with disabilities
 - Examines use of state and local dollars
- Parallel Requirement of Maintenance of State Financial Support (MFS)
 - Provide steady source of available funds for PSUs to provide FAPE

Maintenance of Fiscal Effort (MOE)

- Funds provided to a PSU under Part B of the IDEA must not be used to reduce the level of expenditures for the education of children with disabilities made by the PSU from state and/or local funds below the level of those expenditures for the preceding fiscal year without allowable justification.
- PSUs must expend at least as much as they did the previous year on the education of children with disabilities

Maintenance of Effort (MOE)

- Two Standards:
 - Eligibility/Budget (§ 300.203(a)): Must budget at least as much as they expended in last year for which information available
 - Compliance/Expenditures (§ 300.203(b)): Must actually expend at least as much as they expended in previous (comparison year)
 - This will be our focus today

MOE Regulation: 34 CFR §300.203(a)(1)

Eligibility standard. (1) For purposes of establishing the LEA's eligibility for an award for a fiscal year, the SEA must determine that the LEA budgets, for the education of children with disabilities, at least the same amount, from at least one of the four methods, as the LEA spent for that purpose from the same source for the most recent fiscal year for which information is available.

MOE Regulation:34 CFR §300.203(b)

Compliance standard. (1) Except as provided in 34 CFR §§300.204 and 300.205, funds provided to an LEA under Part B of the Act must not be used to reduce the level of expenditures for the education of children with disabilities made by the LEA from local, or State and local, funds below the level of those expenditures for the preceding fiscal year.

MOE Comparison/Subsequent Year

- Comparison Year: refers to the fiscal year that a PSU uses to determine the amount of local, or state and local, funds it must budget or spend, in order to meet both the PSU MOE eligibility and compliance standards.
- The comparison year differs for each standard, and may be affected by the Subsequent Years rule.

MOE Comparison/Subsequent Year

- Comparison Year **Compliance Standard**
 - Identify the amount of funds the PSU expended in the most recent fiscal year in which the PSU met the compliance standard using the same method.
 - “The preceding fiscal year,” the last fiscal year in which the PSU met MOE, regardless of whether the PSU is seeking to establish compliance based on local funds only, or based on state and local funds
 - Using one particular method, the PSU must be able to identify the amount of funds that the PSU expended in the most recent fiscal year in which the PSU met the compliance standard using that same method

MOE Comparison/Subsequent Year

Subsequent Years Rule

- To determine required level of effort, PSUs must look back to the last year in which effort was maintained
- Defines what level of effort a PSU must meet in order to maintain effort in the year after an MOE failure
- PSUs must look back to the last year in which effort was maintained using the same method by which compliance was established.

CIFR: MOE Calculator

LEA Name	Sample LEA	Multi-Year MOE Summary								
Fiscal Year	Standard	Child Count	Local Total Amount	Local Total MOE Result	State and Local Total Amount	State and Local Total MOE Result	Local Per Capita Amount	Local Per Capita MOE Result	State and Local Per Capita Amount	State and Local Per Capita MOE Result
2015-2016	Compliance (Expenditures)	180	\$ 55,740.56	Met as Baseline	\$ 100,138.92	Met as Baseline	\$ 309.67	Met as Baseline	\$ 556.33	Met as Baseline
2016-2017	Compliance (Expenditures)	220	\$ 61,932.28	Met	\$ 106,880.07	Met	\$ 281.51	Did Not Meet	\$ 485.82	Did Not Meet
2017-2018	Compliance (Expenditures)	221	\$ 57,687.19	Did Not Meet	\$ 107,104.41	Met	\$ 261.03	Did Not Meet	\$ 484.64	Did Not Meet
2018-2019	Compliance (Expenditures)	230	\$ 63,451.78	Met	\$ 110,484.62	Met	\$ 275.88	Did Not Meet	\$ 480.37	Did Not Meet
2019-2020	Compliance (Expenditures)	238	\$ 58,591.31	Did Not Meet	\$ 121,937.52	Met	\$ 246.18	Did Not Meet	\$ 512.34	Did Not Meet
2020-2021	Eligibility (Budget)	238	\$ 58,600.00	Did Not Meet	\$ 121,940.00	Met	\$ 246.22	Did Not Meet	\$ 512.35	Did Not Meet

Submitting this year

- Locate or request MOE form from last year.
- Scroll to the right to Tab 8 Year 2 amounts

The screenshot shows the 'Local Educational Agency Maintenance of Effort Calculator' workbook. The title 'Local Educational Agency Maintenance of Effort Calculator' is prominently displayed at the top, with the version 'v2.0, published June 2021' below it. The CIFR logo (Center for IDEA Fiscal Reporting) and the WestEd logo are in the top right corner. A red warning message states: 'This workbook may contain Personally Identifiable Information (PII). SEAs and LEAs should follow appropriate procedures for protecting PII.' Below this, two paragraphs of text provide context about the calculator's purpose and the partnership between WestEd, AEM Corporation, AIR, Emerald Consulting, and the Frank Porter Graham Child Development Institute. At the bottom, a tab bar shows five tabs: '1. Title Page', '2. Getting Started', '3a. Intervening Years', '3b. High Cost Fund', and '4. Multi-Year MOE Summary'. The '5. Year 1 Amount' tab is highlighted in red, and a blue arrow points to it from the bottom. The status bar at the very bottom indicates 'Calculation Mode: Automatic' and 'Workbook Statistics'.

Local Educational Agency Maintenance of Effort Calculator
v2.0, published June 2021

This workbook may contain Personally Identifiable Information (PII). SEAs and LEAs should follow appropriate procedures for protecting PII.

The Center for IDEA Fiscal Reporting makes the Local Educational Agency (LEA) Maintenance of Effort (MOE) Calculator available to state educational agencies (SEAs) for independent use, general guidance, and estimates only. The LEA MOE Calculator is not intended to replace professional guidance, or any other decision-making method or tool. SEAs and any other end users are responsible for determining their own legal, regulatory, contractual or other responsibilities, and ensuring that their calculations and reporting are correct.

The Center for IDEA Fiscal Reporting (CIFR) is a partnership among WestEd, AEM Corporation, American Institutes for Research (AIR), Emerald Consulting, the Frank Porter Graham Child Development Institute at the University of North Carolina at Chapel Hill, the Center for Technical Assistance for Excellence in Special Education

1. Title Page 2. Getting Started 3a. Intervening Years 3b. High Cost Fund 4. Multi-Year MOE Summary 5. Year 1 Amount

Calculation Mode: Automatic Workbook Statistics


Submitting this year

- Tab 8 is located below

1

Local Educational Agency Maintenance of Effort Calculator

v2.0, published June 2021



2

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3

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4

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Year MOE Summary

🔒 5. Year 1 Amounts

🔒 6. Year 1 Exc & Adj

🔒 7. Year 1 Summary

🔒 8. Year 2 Amounts

🔒 9. Year 2 Exc & Adj

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Submitting this year

- On Tab 8 scroll over to the right and fill out accordingly by PRC code and/or purpose code

The screenshot shows an Excel spreadsheet with the following structure:

1	Child Count	LEA Name	NC Sample School	
2	Compliance Standard - State Fiscal Year 2022 - LEA Effort - Final Expenditures			
3	SFY 2022 Final Expenditures			
4	Object Description	Local	State	State and Local
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				

A blue callout box with the text "Fill in child count" and an arrow pointing to the "Child Count" column is overlaid on the spreadsheet.

Submitting in CCIP

On the Sections page select Maintenance of Effort-Expenditures.

Fill out all sections and upload required forms.

This section will not open until the PSUs 22-23 IDEA grant is approved.



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All

- ☐ **History Log**
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 - [Create Comment](#)
- ☐ **Allotments**
 - [Allotments](#)
- ☐ **Contacts**
 - [Contacts](#)
- ☐ **IDEA Basic - 611 (PRC 060) - Application**
 - [Introduction](#)
 - [Maintenance of Effort - Budget](#)
 - [Private School](#)
 - [CEIS](#)
 - [Narrative](#)
 - [Required Components](#)
 - [Public Notice](#)
 - [Related Documents](#)
- ☐ **IDEA Preschool - 619 (PRC 049) - Application**
 - [Introduction](#)
 - [Use of Funds](#)
 - [Related Documents](#)
- ☐ **Maintenance of Effort - Expenditures**
 - [Maintenance of Effort - Expenditures](#)
 - [Related Documents](#)

MOE-Expenditure.... what do PSUs report?

Commonly Used Reported Codes

- Example of Codes:
 - PRC Code: 063, 029, 032
 - Purpose codes: 5210, 5220, 5230, 5240, 6200, 6550

Not a complete list. The PSU determines the code to utilize for MOE

Maintenance of Effort Methods

MOE Methods

MOE may be met in one of four methods

- Total amount of state and local funds
- Total amount of local funds
- Per capita amount of state and local funds
- Per capita amount of local funds

MOE Methods

- To determine required level of effort, PSUs must look back to the last year in which effort was maintained
- PSUs must look back to the last year in which effort was maintained **using the same method by which compliance was established**
- PSU can meet MOE in more than one method each year and can meet in a different area than years past.

MOE Met/NOT Met

- You want at least 1 green

1	LEA Name		NC Sample School		Multi-Year MOE Summary							
2	Year in Calculator	Fiscal Year	Standard	Child Count	Total Local Funds	Total Local Funds MOE Result	Total State and Local Funds Amount	Total State and Local Funds MOE Result	Local Funds Per Capita Amount	Local Funds Per Capita MOE Result	State and Local Funds Per Capita Amount	State and Local Funds Per Capita MOE Result
3	Compliance Standard				\$ 63,451.78	2019: Met	\$ 121,937.52	2020: Met	\$ 696.76	2016: Met	\$ 1,251.74	2016: Met
4	Year 1	2021	Compliance Standard (Expenditures)	102	\$ 45,200.00	Met with Exceptions & Adjustments	\$ 117,000.00	Met with Exceptions & Adjustments	\$ 443.14	Met with Exceptions & Adjustments	\$ 1,147.06	Met with Exceptions & Adjustments
5	Year 2	2022	Compliance Standard (Expenditures)	103	\$ 44,200.00	Did Not Meet	\$ 117,000.00	Met	\$ 429.13	Did Not Meet	\$ 1,135.92	Did Not Meet
6	Year 3	2023	Compliance Standard (Expenditures)									
7	Year 4	2024	Compliance Standard (Expenditures)									
8	Year 5	2025	Compliance Standard (Expenditures)									

MOE Exceptions and Adjustments

MOE Exceptions and Adjustments

- Under IDEA, both standards allow reductions to the level of effort:
 - Exceptions (§ 300.204)
 - Adjustments (§ 300.205)
- Under both, reduced level retained moving forward
- When taking any exceptions and/or adjustments, PSUs should be mindful of the possible impact on Excess Cost calculation

Exceptions: § 300.204(a)

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

- Reductions in Force does not count
- Reduction in PSU share of benefits do not count
- Position-by-position basis; OR
- Total salary of departing Special Education (SPED) teachers **minus** total salaries of new SPED teachers

Exceptions: § 300.204(b)

(b) A decrease in the enrollment of children with disabilities (December 1 Child Count).

Exceptions: § 300.204(c)

(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, 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.

Exceptions: § 300.204(c)

No longer needs the program of special education

- Child no longer requires special education
- Or, new services and placement are less costly
 - in accordance with IEP
 - least Restrictive Environment (LRE)
 - parents are not disputing change in placement

Exceptions: § 300.204(c)

Examples

An PSU sends a child with a disability to a private residential facility. The cost of this program is \$169,000.

- Student no longer needs program as he graduated with a regular diploma last year.
- The PS can reduce its MOE by \$169,000 in the current SFY.

An PSU sent a child with a disability to an in-state residential facility. The cost of this program was \$80,000.

- IEP team determines residential facility services are no longer needed and changes the child's placement.
- Under the new placement, the PSU provides services to the child for \$30,000.
- The PSU can reduce its MOE by \$50,000 (\$80,000 – \$30,000).

Exceptions: § 300.204(d)

(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

Exceptions: § 300.204(e)

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

- Includes using federal dollars
 - from the high-cost funds
 - to assume a portion of the PSU's cost
 - for a high-need child

Exceptions – General Information

- It is permissible to take multiple exceptions in one year, as long as each exception applies in that year.
- A PSU may apply these exceptions to reduce its required MOE level and meet the compliance standard using any of the four methods.

Exceptions and Adjustments

- These are located on Tab 9 scroll all the way right.

	H	I	J	K	L	M
1	LEA Name			NC Sample School		
2	Note: This worksheet may contain Personally Identifiable Information (PII), such as staff salary and benefits and student IDs. LEAs should follow appropriate procedures for protecting PII.					
3	Compliance Standard -- Exceptions to MOE as Permitted by 34 CFR §300.204 and Adjustment to MOE as Permitted by 34 CFR §300.205 -- Final Expenditures for State Fiscal Year 2022					
4	Exception (a) The voluntary departure, by retirement or otherwise, or departure for just cause, of special education					
5	or related services personnel. (Only include salary and benefits paid from state and/or local funds)					
6	Departing Personnel					
7	Position Title	Employee Name	Reason for Leaving	Salary	Benefits	Total Expenditures
8	EC teacher		Retire	\$ 156,100.00	\$ 16,000.00	\$ 172,100.00
9						\$ -
10						\$ -
11						\$ -
12						\$ -
13	Departing Total			\$ 156,100.00	\$ 16,000.00	\$ 172,100.00
14	Replacement Personnel					
15	Position Title	Employee Name		Salary	Benefits	Total Expenditures
16	EC Teacher			\$ 35,000.00	\$ 15,000.00	\$ 50,000.00
17						\$ -
18						\$ -
19						\$ -
20						\$ -

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4. Multi-Year MOE Summary

5. Year 1 Amounts

6. Year 1 Exc & Adj

7. Year 1 Summary

8. Year 2 Amounts

9. Year 2 Exc & Adj

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4. Multi-Year MOE Summary

5. Year 1 Amounts

6. Year 1 Exc & Adj

7. Year 1 Summary

8. Year 2 Amounts

9. Year 2 Exc & Adj

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MOE Adjustments or Flexibility (§300.205)

- If the IDEA allocation increases, the PSU, if it meets certain conditions, may reduce its MOE level up to fifty percent (50%) of the increase in the allocation
- Conditions
 - Providing FAPE
 - Meets requirements (determinations)
 - Has not been identified with a significant disproportionality

MOE Adjustments or Flexibility (§300.205)

If the PSU meets the conditions, the following must occur:

- The MOE expenditures are reduced by the same amount of the adjustment (or more if exceptions are also taken)
- The PSU submits a letter of explanation for the adjustment and details on how the funds were reallocated to support activities under ESSA.
- The PSU will provide SEA tracking of the funds upon request

Adjustments Reporting

Examples of reallocation of funds to ESSA

- 21st Century Schools
- School Drop-out Prevention
- Preparing, Training and Recruiting Highly Qualified Teachers and Principals
- Improving Student Reading Skills
- * Samples and not an exhaustive list

MOE Exceptions and Adjustments

- When a PSU takes one or more Exceptions, a letter is required from the Superintendent to NCDPI EC Division Director
- When a PSU takes an Adjustment due to increase in federal funding, a letter is required from the Superintendent to NCDPI EC Division Director
- Templates for both letters are available on the NCDPI Resource tab of the CCIP platform
- The letter(s) will be uploaded to CCIP with the MOE Calculation Form

MOE Not Met

MOE Not Met

- First Step: Contact assigned Fiscal Consultant
 - Fiscal Consultant will review with PSU and offer guidance regarding possible exceptions
 - Add any exceptions determined to be available
- Submit grant revision with required documents
- Fiscal Consultant will review and determine if MOE was met.
- If MOE was not met in any method, EC Division will notify the PSU regarding the repayment required

Due Dates MOE

- Opens October 1, 2022 for PSU that have an approved IDEA grant.
- MOE is due by COB October 31, 2022

Questions?

Special Programs and Data Contacts

Section Chief for SPD: Nicole Sinclair

- **Regions 1 and 2**
 - Milinda Martina
 - Milinda.martina@dpi.nc.gov
 - 984.236.2596
- **Regions 3 and 4**
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- **Regions 7 and 8 (all) / 6 Traditional Only**
 - Adam Parent
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- **Regions 5 (all) and 6 Charters Only**
 - Lisa Blanton
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