

Maintenance of Effort

Special Programs and Data
IDEA Fiscal Monitors
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Introductions

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Agenda

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

Maintenance of Effort Regulations

Table Talk

Answer these questions with your table

- What does Maintenance of Effort mean?
- Why is MOE required?
- Why is it important?
- How is MOE met?

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 is MOE required?

- 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

Policy: Maintenance of Fiscal Effort

- 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.

How is MOE met? Table talk

MOE has 2 Standards and is reported 2 different times.

What are the 2 MOE standards?

When are they reported?

MOE: Two Standards

•Eligibility/Budget § 300.203(a):

Must budget at least as much as they expended in last year for which information available

Completed during the initial IDEA grant submission.

Compliance/Expenditures (§300.203(b)):

Must expend at least as much as they expended in previous (comparison year)

Completed as a revision after the initial IDEA grant has been approved.

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.

Meeting MOE: 4 Methods Budgeted/Expended

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

Table/Partner Talk

- Can you meet in more than one area?
- What happens when you meet in a different area than last year?

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.

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

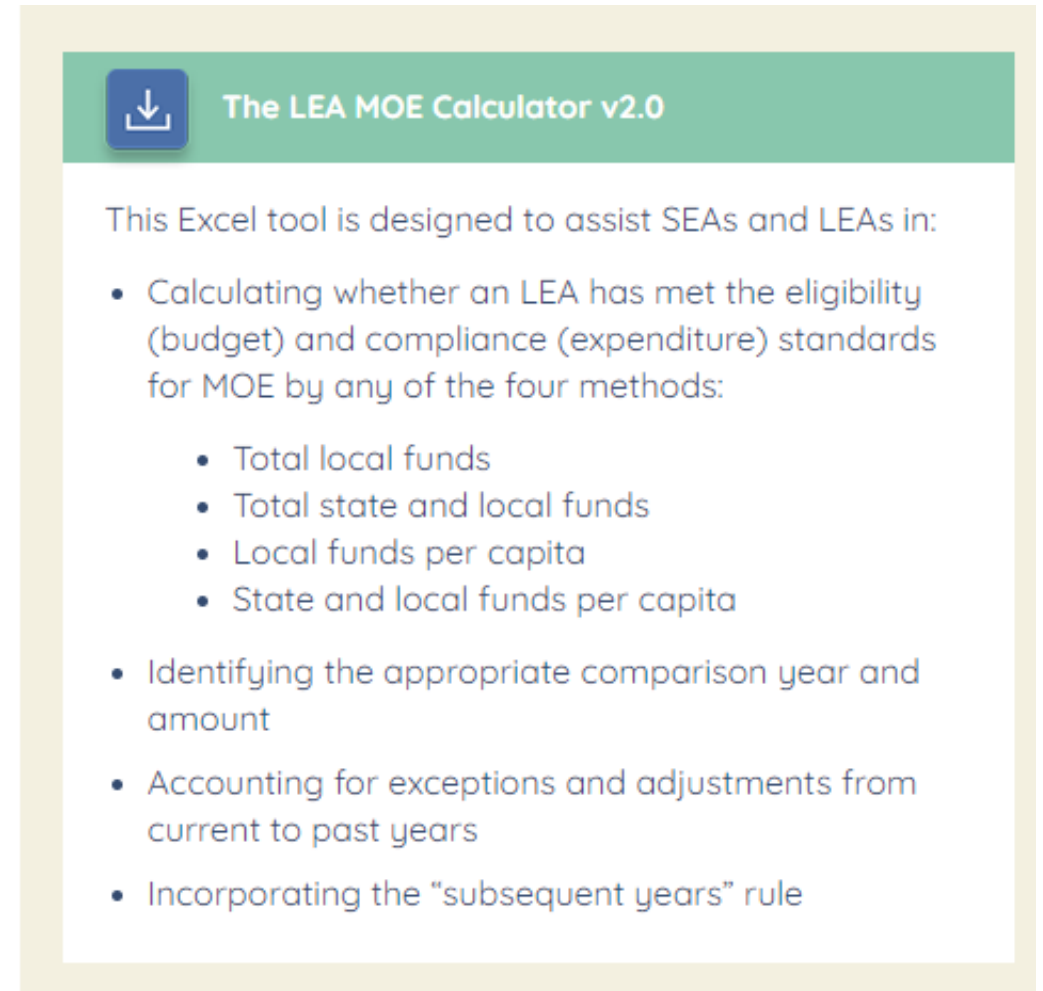
Accessing the CFR Calculator

The PSU calculator is located in the 24 IDEA grant under MOE-Expenditures. This will have the last 3 years of data entered by the PSU that has been approved.


For a blank copy to practice with:

[Link](https://cifr.wested.org/archive/lea-moe-calculator/)

<https://cifr.wested.org/archive/lea-moe-calculator/>



The screenshot shows the interface for 'The LEA MOE Calculator v2.0'. It features a green header with a download icon and the title. Below the header, a text block states: 'This Excel tool is designed to assist SEAs and LEAs in:'. This is followed by a bulleted list of functions: calculating eligibility and compliance standards for MOE using four methods (Total local funds, Total state and local funds, Local funds per capita, and State and local funds per capita); identifying comparison year and amount; accounting for exceptions and adjustments from current to past years; and incorporating the 'subsequent years' rule.

 The LEA MOE Calculator v2.0

This Excel tool is designed to assist SEAs and LEAs in:

- Calculating whether an LEA has met the eligibility (budget) and compliance (expenditure) standards for MOE by any of the four methods:
 - Total local funds
 - Total state and local funds
 - Local funds per capita
 - State and local funds per capita
- Identifying the appropriate comparison year and amount
- Accounting for exceptions and adjustments from current to past years
- Incorporating the "subsequent years" rule

Subsequent Year Rule

Defines what level of effort an PSU 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 PSU's reduced level of expenditures

Impact of Subsequent Years Rule

- 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**

Impact of Subsequent: Let's Practice

Fiscal Year	Local only	State and local	Local only per capita	State and local per capita	Child count
2021	\$500	\$950	\$50	\$95	10
2022					
2023					

New amount set

Impact of Subsequent: Let's Practice

Fiscal Year	Local only	State and local	Local only per capita	State and local per capita	Child count
2021	\$500	\$950	\$50	\$95	10
2022	\$400	\$950	\$40	\$95	10
2023					

Impact of Subsequent: Let's Practice

Fiscal Year	Local only	State and local	Local only per capita	State and local per capita	Child count
2021	\$500	\$950	\$50	\$95	10
2022	\$400	\$950	\$40	\$95	10
2023					

Impact of Subsequent: Let's Practice

Fiscal Year	Local only	State and local	Local only per capita	State and local per capita	Child count
2021	\$500	\$950	\$50	\$95	10
2022	\$400	\$950	\$40	\$95	10
2023	\$500	\$900	\$50	\$90	11

Impact of Subsequent: Let's Practice

Fiscal Year	Local only	State and local	Local only per capita	State and local per capita	Child count
2021	\$500	\$950	\$50	\$95	10
2022	\$400	\$950	\$40	\$95	10
2023	\$500	\$900	\$45.45	\$81.81	11

You Practice

- You have two tasks using the example data on your own or with a partner:

- Fill in the missing cells

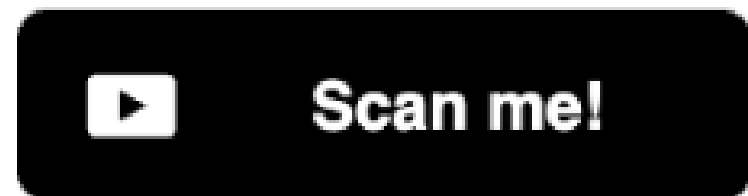
- Determine all the calculation methods the PSU could have used to meet MOE in each year

- Assume that the PSU met MOE using all four calculation methods in the first year

notice the child count

[Link to doc](https://shorturl.at/V1NPs)

<https://shorturl.at/V1NPs>



Task

Fiscal Year	Local only	State and local	Local only per capita	State and local per capita	Child count
2018	\$10,500	\$21,000			10
2019	\$10,400	\$21,600			8
2020			\$1,065	\$2,150	10
2021	\$10,800	\$22,200			12
2022			\$890	\$2,200	10

Task: Answers

Fiscal Year	Local only	State and local	Local only per capita	State and local per capita	Child count
2018	\$10,500	\$21,000	\$1,050	\$2,100	10
2019	\$10,400	\$21,600	\$1,300	\$2,700	8
2020	\$10,650	\$21,500	\$1,065	\$2,150	10
2021	\$10,800	\$22,200	\$900	\$1,850	12
2022	\$8,900	\$22,000	\$890	\$2,200	10

Task: Answers

Fiscal Year	Local only	State and local	Local only per capita	State and local per capita	Child count
2018	\$10,500 ✓	\$21,000 ✓	\$1,050 ✓	\$2,100 ✓	10
2019	\$10,400 ✗	\$21,600 ✓	\$1,300 ✓	\$2,700 ✓	8
2020	\$10,650 ✓	\$21,500 ✗	\$1,065 ✗	\$2,150 ✗	10
2021	\$10,800 ✓	\$22,200 ✓	\$900 ✗	\$1,850 ✗	12
2022	\$8,900 ✗	\$22,000 ✗	\$890 ✗	\$2,200 ✗	10

What to include in MOE

- State and local funds expended on EC students.

Fund Code

- 1 State
- 2 Local

MOE Expenditure reporting in October 2024 will still use the current COA

Common Purpose Codes utilized by EC

Purpose Code	Description
5210	Children with Disabilities Curricular Services
5230	PreK Children with Disabilities Curricular Services
5240	Speech Language Pathology Services
5250	Audiology Services
5840	Health Services
6200	Support and Development

Common Object Codes utilized by EC

Object Code	Description
121	Teacher Salary
132	Instructional Support-Advanced/Speech Language (salary)
133	Psychologist salary
142	Teacher Assistant salary
311	Contracted Services
312	Workshops and Allowable Travel
411	Supplies and Materials

Practice

Would you include the following codes in MOE?

- 1-5210-032-411
- 2-5110-001-121
- 3-5840-114-311
- 1-5230-032-142

Practice

Would you include the following codes in MOE?

- 1-5210-032-411- YES
- 2-5110-001-121- NO
- 3-5840-114-311- NO
- 1-5230-032-142- YES

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 – General Information

- It is permissible to take multiple exceptions in one year, if 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: § 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).

Exception (b) A decrease in the enrollment of children with disabilities.			
SFY 2023 Child Count		15	
SFY 2022 Child Count		22	
Difference (must be (-) to apply exception)		-7	
Percent Difference		32%	
	Local Total		State and Local Total
SFY 2022 Final Expenditures	\$	45,270.50	\$ 106,730.27
Allowed Reduction	\$	14,404.25	\$ 33,959.63

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

Examples: Answer with a partner

1. A 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 PSU can reduce its MOE by????

2. 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.

Answers

1. A 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 PSU can reduce its MOE by \$169,000 in the current SFY

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

- 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 LEA's cost
 - for a high-need child

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 Adjustments or Flexibility (§300.205)

- 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

NOT Meeting MOE

- 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

Consequences for **NOT** Meeting MOE

- If PSU fails to meet MOE, SEA must repay federal government out of non-federal funds
- SEA requires repayment from PSU out of non-federal funds

Excess Cost

PSU Excess Cost

- IDEA funds may only be used to pay the excess costs of providing special education and related services for students with disabilities
- Excess costs are costs in excess of the average annual per-pupil expenditure in a PSU during the preceding school year
- LEA must spend at least a minimum average amount on the education of elementary school or secondary school SWD before funds under Part B are used to pay what are then the excess costs of providing special education and related services.
- This is housed at the PSU and reviewed during the Monitoring Process.

Contacts

Region	Fiscal Monitor
Northeast (1)	Milinda Martina
Southeast (2)	Milinda Martina
North Central (3)	Elizabeth Millen
Sandhills (4)	Elizabeth Millen
Piedmont-Triad (5)	Lisa Blanton
Southwest (6) Traditional Southwest (6) Charters	Adam Parent Lisa Blanton
Northwest (7)	Adam Parent
Western (8)	Adam Parent

Questions?