

Guidelines for Maintenance of Effort (MOE)

The purpose of these MOE guidelines is to explain the MOE requirements and illustrate how the new MOE worksheets can be used to meet eligibility for receiving the IDEA grant. Typically, we have used the compliance or audit standard for both eligibility and compliance but this new eligibility worksheet will ensure the LEA will budget enough local or state/local funds to meet MOE in the upcoming year. In addition, a second worksheet is provided to add or correct any local or state/local special education expenditures to meet audit requirements and compliance for MOE.

What is Maintenance of Effort for IDEA

There are two MOE standards that the Division for Special Education Services and Supports must review to determine whether the local educational agency (LEA) meets MOE requirements: the eligibility standard and the audit or compliance standard.

The eligibility standard verifies that an LEA will budget enough funds to meet MOE in the upcoming year. The LEA must budget at least the same total or per pupil amount as the LEA spent for that purpose from the most recent prior year this information is available. The source of funds may be either local funds only or a combination of local and state funds (CFR 300.203(b)). Georgia has always used the combination of state/local funds until this year when local funds only allowed an LEA to meet MOE (5).

This new MOE eligibility worksheet verifies this standard and must be submitted as an upload or attachment in the IDEA budget section in the Consolidated Application portal. The FY10 state and local special education expenditures in total and per pupil amounts are posted on the FY 2012 Consolidated Application portal under Fiscal Effort and on the Special Education Services and Supports website under Conferences and Presentations. Place the total state/local expenditures for FY 10 in Fund 100 - function 2011 and the special education student count for FTE 2010-2 after the total expenditures at the bottom to calculate the total or per pupil amounts that must be met in FY2012 to receive the IDEA grant. Provide the LEA's current proposed general fund special education budget for FY 2012 for state and local Fund 100 items and the special education student count from FTE 2011-3. The worksheet will automatically calculate the information to determine if MOE is met for receiving the IDEA grant for FY2012. If cell L26 or L29 is a positive number then MOE Eligibility is met by the district.

The compliance or audit standard verifies that the LEA's actual local or state/local expenditures for special education in total or per pupil amount in FY 2010 were equal to or greater than the subsequent year's (FY 2009) actual expenditures to meet this MOE audit requirement. There were twenty-five LEAs that did not meet this audit standard. These LEAs must examine their expenditures and determine if MOE can be met using this MOE Compliance Correction Worksheet and/or the Exceptions to the MOE form. The Compliance worksheet allows the LEA to correct miscoded items or errors for the FY 2010 expenditures or to compare all state/local special education expenditures that were greater in FY2010. It may be used later in October/November to determine if the LEA will meet MOE for FY2011 compared to FY 2010 by changing the fiscal years and providing the data on this worksheet.

Exceptions to Maintenance of Effort

IDEA 2004 allows for the following exceptions to MOE:

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

- b. A decrease in the enrollment of children with disabilities;
- c. The termination of the obligation of an LEA to provide a costly program 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 FAPE to the child has terminated;
 - iii. no longer needs such program of special education; or
- d. The termination of costly expenditures for long-term purchases, such as the acquisition of equipment or the construction of school facilities.

Use the Exceptions to the MOE form to reduce the MOE amount due to the state by checking the item(s) allowable for the LEA. Documentation of all exceptions is required for determining whether the LEA meets MOE for the auditors and this office. An example for retirement or voluntary departure of special education and related services personnel is provided. Any or all exceptions may be used to decrease the amount of the difference to meet MOE. All documentation must be uploaded or attached to the Consolidated Application within the IDEA budget. If MOE cannot be met then non-federal funds must be used to pay the difference to the State before the IDEA grant can be reviewed and approved for the current fiscal year.

Reduction of Local Effort

In any fiscal year that an LEA's allocation exceeds the previous fiscal year, the LEA may reduce the level of local effort by 50% of the increase in the allocation. The LEA must spend this "freed up" funds on activities that are authorized under ESEA of 1965. The Reducing Local Effort form must be uploaded or attached to verify the maximum amount that the LEA may reduce local effort and to report what ESEA activities will show local expenditures for freed up funds(not used in special education or it would increase local effort for MOE).

LEAs are not allowed to take advantage of this optional flexibility provision if:

- The LEA determination status is Needs Assistance, Needs Intervention or Needs Substantial Intervention.
- The LEA has been required to use the 15% maximum of its IDEA allocation due to significant disproportionality.
- The LEA is unable to establish and maintain FAPE for its programs.