

MAINTENANCE OF EFFORT ADJUSTMENT GUIDANCE

MAINTENANCE OF EFFORT REQUIREMENT

Maintenance of Effort (MOE) is the amount of State, local, and county funds spent on special education that must be maintained at the same amount or more each year. Local funds and county funds are combined and considered “local” funds for MOE. There are two components to MOE, the eligibility standard and the compliance standard. The eligibility standard indicates a LEA must budget at least the same amount or more for special education as the LEA spent for the most recent fiscal year for which information is available, unless allowable exceptions or adjustments apply, in order to be eligible for the next fiscal year grant award. The compliance standard indicates a LEA must not reduce the level of expenditures for special education below the level of expenditures from the previous fiscal year unless allowable exceptions or adjustments apply.

MOE ADJUSTMENT

IDEA allows a LEA to reduce the MOE threshold when the IDEA Part B (611) Federal allocation increases from the prior year to the current year. This reduction of spending State and/or local funds assists a LEA in spending the increase in Federal funds.

The MOE adjustment is calculated by taking 50% of the increase in the Part B allocation from the prior year to current year Part B allocation.

Example:

Prior Year’s IDEA Part B (611) Allocation:	\$900,000
Current Year’s IDEA Part B (611) Allocation:	\$1,000,000
Increase:	\$100,000
Max Available for MOE reduction:	\$50,000

The MOE adjustment may be budgeted on the budget application and actual MOE adjustment reported on the Final Expenditure Report (FER). However, LEAs identified as “Needs Assistance” by Special Education Compliance are not allowed to take the adjustment on the budget application or the FER in the year of the “Needs Assistance” identification. The ePeGS Budget Application and ePeGS FER Training Guides posted at <http://dese.mo.gov/financial-admin-services/special-education-finance/part-b-funding-and-allocations> provide step-by-step instructions in budgeting and reporting a MOE adjustment.

MOE ADJUSTMENT FACTS

- If a LEA is eligible for a MOE adjustment, a portion or all of the MOE adjustment may be taken.
- LEAs identified with significant disproportionality are not eligible for any MOE Adjustments
- The MOE adjustment DOES NOT decrease the Part B allocation but instead decreases the amount of local/State funds that must be spent on students with disabilities (MOE) for the current year and future years until the LEA decides to voluntarily increase the MOE amount.
- The MOE adjustment must be taken in the year of the Part B allocation increase.

- The MOE adjustment may be taken with any allowable MOE exceptions. Information about MOE allowable exceptions may be found at <http://dese.mo.gov/financial-admin-services/special-education-finance/special-education-maintenance-fiscal-effort>.

MOE ADJUSTMENT AND COORDINATED EARLY INTERVENING SERVICES (CEIS) RELATIONSHIP

The decisions that a LEA makes about the amount of funds that it expends towards Coordinated Early Intervening Services (CEIS) activities affect the amount that it may use for the MOE adjustment, and vice versa. Therefore, careful consideration must be taken when determining the amount of funds to take for the MOE adjustment and the amount of Part B funds to spend toward CEIS activities in the same fiscal year. Information about CEIS may be found at <http://dese.mo.gov/financial-admin-services/special-education-finance/coordinated-early-intervening-services>. LEAs considering using Part B funds for CEIS and taking a MOE adjustment should use the MOE adjustment/CEIS Tool on the Supporting Data page of the Part B budget application to determine the relationship between the use of Part B funds for CEIS and taking the MOE adjustment. Below are some examples that illustrate how the funds used for CEIS activities and the MOE adjustment affect one another.

Example 1:

Prior Year's IDEA Part B (611) Allocation:	\$900,000
Current Year's IDEA Part B (611) Allocation:	\$1,000,000
Increase:	\$100,000
Max Available for MOE reduction:	\$50,000
Max Available for CEIS	\$150,000

If the LEA chooses to set aside \$150,000 for CEIS, **it may not reduce its MOE**

- MOE max is \$50,000 less \$150,000 for CEIS means \$0 can be used for MOE

If the LEA chooses to set aside \$50,000 for CEIS, **it may not reduce its MOE**

- MOE max is \$50,000 less \$50,000 for CEIS means \$0 can be used for MOE

If the LEA chooses to set aside \$30,000 for CEIS **it may reduce MOE by \$20,000**

- MOE max is \$50,000 less \$30,000 for CEIS means \$20,000 can be used for MOE

If the LEA chooses to set aside \$0 for CEIS **it may reduce MOE by \$50,000**

- MOE max is \$50,000 less \$0 for CEIS means \$50,000 can be used for MOE

Example 2:

Prior Year's IDEA Part B (611) Allocation:	\$1,000,000
Current Year's IDEA Part B (611) Allocation:	\$2,000,000
Increase:	\$1,000,000
Max Available for MOE reduction:	\$500,000
Max Available for CEIS	\$300,000

If the LEA chooses to reduce MOE by \$500,000, **it may not set aside anything for CEIS**

- CEIS max is \$300,000 less \$500,000 for MOE means \$0 can be used for CEIS

If the LEA chooses to reduce MOE by \$300,000, **it may not set aside anything for CEIS**

- CEIS max is \$300,000 less \$300,000 for MOE means \$0 can be used for CEIS

If the LEA chooses to reduce MOE by \$150,000, **it may set aside \$150,000 for CEIS**

- CEIS max is \$300,000 less \$150,000 for MOE means \$150,000 can be used for CEIS

If the LEA chooses to reduce MOE by \$0, **it may set aside \$300,000 for CEIS**

- CEIS max is \$300,000 less \$300,000 for MOE means \$300,000 can be used for CEIS

SPENDING "FREED UP" STATE AND/OR LOCAL FUNDS

If a LEA takes a MOE adjustment, with or without a CEIS limitation, any State and/or local funds that are no longer dedicated to special education must be spent on activities authorized under the Elementary and Secondary Education Act (ESEA). The LEA must track in the general ledger where these freed-up funds are being expended and code the expenditure as a State or local paid expenditure.

Allowable ESEA activities on which to spend "freed up" State and/or local funds include:

Title I – Improving the Academic Achievement of the Disadvantaged

This includes the following programs: Reading First; Education of Migratory Children; Prevention/Intervention Programs for At-Risk, Delinquent, and Neglected Children; and Comprehensive School Reform, Advanced Placement, School Drop-Out Prevention, and School Improvement.

Examples of these types of expenditures include, but are not limited to:

- Aligning academic assessments, accountability systems, teacher preparation and training, curriculum, and instructional materials with State academic standards
- Providing additional supports/interventions to meet the educational needs of low-achieving children
- Developing accelerated classrooms
- Developing drop-out prevention programs
- Implementing scientifically based instructional strategies
- Professional Development for staff related to improving instructional strategies and/or interventions and supports.
- Increasing parent participation in the education of children through outreach programs

Title II – Preparing, Recruiting and Training High Quality Teachers and Principals

This includes the following programs: Training and Recruiting; Mathematics and Science Partnerships; Troops-to-Teachers Programs; and Enhancing Education through Technology.

Examples of these types of expenditures include, but are not limited to:

- Activities associated with advanced certification or advanced credentialing (scholarships and/or tuition reimbursement)
- Developing more challenging math and science curricula
- Consolidate math and science areas into one department
- Establishment and/or enhancement of computer labs, instructional technology devices, etc.

Title III – Language Instruction for Limited English Proficient and Immigrant Students

This includes the following programs: English Language Acquisition; Language Enhancement and Academic Achievement; and Improving Language Instruction Educational Programs.

Examples of these types of expenditures include, but are not limited to:

- Providing English tutors to limited English and Immigrant Students
- Developing at-risk program and/or additional supports to these students
- Promoting parental and community participation in language instruction educational programs for the parents and communities of limited English proficient children
- Developing language skills and multicultural understanding
- Disseminating technical assistance and materials to families
- Providing Translators/Interpreters

Student Support & Academic Enrichment

This includes the following programs: Safe and Drug-Free Schools and Communities; 21st Century Community Learning Centers; and Environmental Tobacco Smoke.

Examples of these types of expenditures may include, but are not limited to:

- Developing programs that prevent violence in and around schools
- Developing policies and programs that prevent the illegal use of alcohol, tobacco, and drugs
- Contracting with community-based organizations for drug programs, violence prevention, early intervention, etc
- Organizing community activities that focus on these areas
- Creating enrichment learning programs
- Providing tutoring services
- Providing educational recreational activities and field trips
- Expanding library service hours
- Creating programs for students who have been suspended/expelled
- Installing of metal detectors at entrance doors
- Hiring a resource officer

Rural Education Initiative

This includes the following programs: Improving Academic Achievement; and Rural Education Initiative.

Examples of these types of expenditures may include, but are not limited to:

- Developing additional State assessments and standards required by section 1111(b), which may include the costs of working in voluntary partnerships with other States
- Developing challenging State academic content and student academic achievement standards and aligned assessments in academic subjects for which standards and assessments are not required by section 1111(b)
- Developing or improve assessments of English language proficiency necessary to comply with section 1111(b)(7)
- Ensuring the continued validity and reliability of State assessments
- Developing multiple measures to increase the reliability and validity of State assessment systems
- Teacher recruitment and retention, including the use of signing bonuses and other financial incentives

TITLE VII – Indian, Native Hawaiian, and Alaska Native Education

This includes the following programs: Indian Education; Native Hawaiian Education; and Alaska Native Education

Examples of these types of expenditures may include, but are not limited to:

- Creating culturally related activities that support the program
- Creating early childhood and family programs that emphasize school readiness for these students
- Developing career preparation activities to enable these students to participate in programs such as the programs supported by the Carl D. Perkins Vocational and Technical Education Act of 1998, including programs for tech-prep education, mentoring, and apprenticeship
- Developing activities that promote the incorporation of culturally responsive teaching and learning strategies into the educational program
- Creating activities that incorporate appropriately qualified tribal elders and seniors

TITLE VIII – Impact Aid

Anything that does not fall in the categories above should be coded to this category.

Examples of these types of expenditures may include, but are not limited to:

- LEA remodeling/construction
- Vehicle Purchases
- Locker Replacement
- Cafeteria Table Replacement
- Teacher/Staff Salaries
- Temporary Help