

MAINTENANCE OF EFFORT REQUIREMENT

Under the IDEA Maintenance of Effort (MOE) requirement (34 CFR §300.203), funds provided to a LEA under Part B must not be used to reduce the level of expenditures for the education of children with disabilities made by the LEA from local funds below the level of those expenditures for the preceding fiscal year.

Therefore, a LEA must demonstrate it has spent at least the same amount for the education of children with disabilities from state and/or local funds in the current year as it has in the preceding fiscal year unless an adjustment or exception applies in order to be in compliance with the MOE requirement.

MAINTENANCE OF EFFORT ADJUSTMENT

IDEA allows a LEA to reduce the MOE threshold when the IDEA Part B (611) allocation increases from the prior year to the current year (34 CFR §300.205). This reduction of spending state and/or local funds assists a LEA in spending the increase in federal funds. LEAs identified as "Needs Assistance" by Special Education Compliance are not allowed to take the adjustment.

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

MAINTENANCE OF EFFORT ADJUSTMENT FACTS

- ❑ If a MOE adjustment is allowed, the LEA may take a portion or all of the MOE Adjustment.
- ❑ The MOE Adjustment DOES NOT decrease Part B Allocation but instead the amount of local/state funds that must be spent on students with disabilities (MOE).
- ❑ MOE Adjustment must be taken in the year of the increase.
- ❑ MOE Adjustment resets the MOE for MOE Adjustment year and future years until the LEA voluntarily increases the amount for MOE.
- ❑ MOE Adjustment may be taken with any allowable MOE exceptions.

MOE ADJUSTMENT AND COORDINATED EARLY INTERVENING SERVICES (CEIS) RELATIONSHIP

The decisions that a LEA makes about the amount of funds that it expends towards 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. 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 the LEA takes advantage of the 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). These activities 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

Title IV – 21st Century Schools

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

Title V – Promoting Informed Parental Choice and Innovative Programs

This includes the following programs: Innovative Programs; Public Charter Schools; and Magnet Schools Assistance.

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

- Creating programs to improve the literacy skills of adults, especially the parents of children served by the local educational agency, including adult education and family literacy programs
- Creating programs to provide for the educational needs of gifted and talented children
- Developing activities to promote consumer, economic, and personal finance education

- Developing a mobile computer lab
- Creating activities to promote, implement, or expand public school choice
- Creating programs to hire and support school nurses
- Expanding and improve school-based mental health services
- Creating alternative educational programs for those students who have been expelled or suspended
- Creating programs to establish or enhance prekindergarten programs for children
- Creating programs for cardiopulmonary resuscitation (CPR) training in schools
- Creating initiatives to generate, maintain, and strengthen parental and community involvement

TITLE VI – Flexibility and Accountability

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

REPORTING MAINTENANCE OF EFFORT ADJUSTMENT

ADJUSTMENT TO MOE

If the LEA chooses to take all of a portion of the MOE adjustment, the LEA reports the amount taken at the end of the year on the Special Education Entitlement Part B Final Expenditure Report (FER) Maintenance of Effort (MOE) page in ePeGs. The must enter the amount of the adjustment taken in Table 1: Adjustment to Local Effort Calculation in the “Amount of Adjustment to Local Effort LEA is Claiming” row.

Table 1: Adjustment to Local Effort Calculation	
Current Year Entitlement Allocation	206034.00
Prior Year Entitlement Allocation	198732.00
Increase in Entitlement	7302.00
50% of Increase	3651.00
Coordinated Early Intervening Services Paid with Part B Funds	0.00
Maximum Amount Allowed for Adjustment to Local Effort	3651.00
Amount of Adjustment to Local Effort LEA is Claiming	3651.00

The adjustment can only be taken in the "Maximum Amount Allowed for Adjustment to Local Effort" field is greater than zero.

ELEMENTARY AND SECONDARY EDUCATION ACT (ESEA) ACTIVITIES – "FREED-UP" FUNDS

As noted above, if the LEA takes advantage of the adjustment, the LEA must spend the funds no longer directed toward special education (freed-up state and/or local dollars) on ESEA activities. The LEA must report where these funds were expended and the corresponding amount expended per category in the ESEA Activity Table on the Special Education Entitlement Part B FER MOE page in ePeGs. The LEA must also track in the general ledger where these freed-up funds are being expended.

Elementary and Secondary Education Act (ESEA) Activities	Amt Expended
Title I: Improving the Academic Achievement of the Disadvantaged	0.00
Title II: Preparing, Training and Recruiting High Quality Teachers and Principals	0.00
Title III: Language Instruction for Limited English Proficient & Immigrant Students	0.00
Title IV: 21st Century Schools	0.00
Title V: Promoting Informed Parental Choice and Innovative Programs	0.00
Title VI: Flexibility and Accountability	0.00
Title VII: Indian, Native Hawaiian, and Alaskan Native Education	0.00
Title VIII: Impact Aid Program	3651.00
TOTAL	3651.00