

Maintenance of Effort (MOE)

Maintenance of Effort (**MOE**) is a key fiscal compliance requirement that ensures **consistent financial support from state and local governments** in federally funded programs. This session will provide an overview of MOE, detailing its purpose, the **regulations governing it**, and the **consequences of non-compliance**. Participants will learn **how MOE works**, including the **calculation and monitoring processes**. Practical application of MOE principles will be emphasized, helping participants **incorporate these requirements into their responsibilities**, ensuring compliance and maximizing program funding.

What is it?

IDEA **MOE**, or Maintenance of Effort, is a requirement of the Individuals with Disabilities Education Act (IDEA) that requires Local Educational Agencies (LEAs) to **spend a certain amount of non-federal money (State/Local) on the education of children with disabilities.** The amount spent **must be at least the same or more as compared to your MOE reviewed each year.**

The purpose of IDEA MOE is to ensure that LEAs continue to spend the necessary funds to provide services for students with disabilities. **If an LEA fails to meet the MOE requirement, they may have to repay funds to the State Department and ultimately federal government.**

Eligibility: 34 § CFR 300.203(a)(1)

- For purposes of establishing the LEA's eligibility for an award for a fiscal year, the SEA must determine that the **LEA budgets ... at least the same amount, from at least one of the following** sources, as the LEA *spent* for that purpose from the same source for the most recent fiscal year for which information is available:
 - **(i)** Local funds only;
 - **(ii)** The combination of State and local funds;
 - **(iii)** Local funds only on a per capita basis; or
 - **(iv)** The combination of State and local funds on a per capita basis.

*Most districts do not track state and local funds separately, but it is an option. Reach out to ODE's School Finance Unit for assistance with financial reporting if needed.

Compliance: 34 § CFR 300.203(b)(2)

- An **LEA meets** this standard **if it does not reduce** the level of expenditures for the education of children with disabilities made by the LEA from at least one of the following sources **below the level of those expenditures from the same source for the preceding fiscal year**, except as provided in §§ 300.204 and 300.205:
 - **(i)** Local funds only;
 - **(ii)** The combination of State and local funds;
 - **(iii)** Local funds only on a per capita basis; or
 - **(iv)** The combination of State and local funds on a per capita basis.

MOE Compliance Total and Per Capita

Year	Total	Per Capita	Status
Year 1	\$ 5,000	\$ 1,000	Base Year
Year 2	\$ 6,000	\$ 1,000	Met by both
Year 3	\$ 5,500	\$ 1,000	Did not meet by Total, met Per Capita
Year 4	\$ 5,600	\$ 900	Did not meet by Total, or Per Capita
Year 5	\$ 7,000	\$ 800	Met by Total, did not meet Per Capita
Year 6	\$ 6,000	\$ 1,100	Did not meet Total, met Per Capita
Year 7	\$ 8,000	\$ 1,500	Met by both

Options When Not Meeting MOE

- Exceptions: A, B, C, and D
 - A - Staffing levels
 - B – Student counts
 - C – Expensive programs
 - D – Capital assets
- Adjustments
- Recoding expenses

Exceptions for Compliance

- Exceptions are used to fill the gap between the prior and current year's actual expenditures
- Exceptions cannot lower the MOE threshold beyond the actual expenditures
- Exceptions can be used proactively to lower the MOE threshold
- Exceptions can also be used to reset the MOE threshold

Exception Regulations Pt 1: 34 § CFR 300.204

[A]n LEA may reduce the level of expenditures ... for the preceding fiscal year if the reduction is attributable to any of the following:

- 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.

Exceptions Regulations Pt 2: 34 § CFR 300.204

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**, as determined by the SEA, 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.

d. The **termination of costly expenditures** for long-term purchases, such as the acquisition of equipment or the construction of school facilities.

e. The assumption of cost by the high cost fund operated by the SEA under [§ 300.704\(c\)](#).*

*Not applicable in Oregon

Exception A

Allowable

- Any staff who have *voluntarily* left or were terminated with just cause that are AOR 320
- An employee who was employed one year and offered the position back but does not accept it the following
- An employee terminated for just cause
- The difference between a teacher on leave and a long-term sub

Not Allowable

- Employees laid off due to reduction in force by LEA
- Employees whose duties have been changed by the LEA
- An employee whose contract was not renewed because of the termination of a need of a student*

* Will apply elsewhere

Exception B

- Based on your December 1 child count (in the year of review)
- Applied automatically through your application
- Applied as the percentage difference between the prior and current year's enrollment of students with a disability

Exception C

- An LEA stops providing an exceptionally costly program to a child with a disability
 - An exceptionally costly program threshold is \$5,000
- A child may still need other services, but the exceptionally costly program need has been terminated
- Applies to facility placements, one-to-one nurses, specialized transportation, educational interpreter, hearing or visual impairment teacher

Examples of Exception C

- A student at a private residential facility graduates with a regular diploma. The program is no longer needed and the entire cost of the program can be deducted
- An LEA was paying \$100,000 annually for a student who was at an in-state residential facility, but the IEP team determines that placement is no longer necessary. The *IEP is changed* to reflect this, and the student returns back to the LEA but will still need services totaling \$40,000. The LEA may use the difference of \$60,000 as an exception
- Prior to the start of the school year, a student's IEP was updated to reflect that they no longer needed a one-to-one aid, so their contract was not renewed. Because the contract was not renewed on the LEA's side, it is not a voluntary staff departure. However, because this was a position tied to an IEP, this is the termination of a high-cost program and can be included as exception C

Exception D

- Termination of high-cost long-term purchases applies to capital equipment with a per unit cost of \$5,000 or more
- Only applies to purchases made with non-grant funds (General funds)
- Examples include:
 - A lifter
 - A specialized vehicle
 - An approved construction or remodel project >>>

Alsea School District - Maintenance of Effort History

	Fund	Function	24-25		23-24	22-23	Actual		
			Budget	Total			21-22	2020-21	1920
General Fund									
Less Restrictive Programs: Students w/ Disability	100	1250	636,673.00	388,624.83	434,106.04	1,023,961	1,275,478.09	667,373.77	
Psychological Testing Services	100	2142	50,200.00	13,425.00	50,200.00	24,776	-	-	
Speech Pathology and Audiology Services	100	2152	65,900.00	22,327.00	68,660.60	151,838	161,944.13	63,454.00	
Other Student Treatment Services	100	2160	39,500.00	26,850.00	27,134.39	34,847	17,771.23	-	
Service Direction, Student Support Services	100	2190	1,500.00	3,579.20	801.61	1,460	26,657.03	25,562.92	
Professional Development	100	2240	-	-	177.42				
Transportation	100	2558	-	-	-	9,624	15,304.16	1,560.42	
SIA									
Less Restrictive Programs: Students w/ Disability	251	1250	-	16,071.98					
			793,773.00	470,878.01	581,080.06	1,246,506.18	1,497,154.64	757,951.11	325,731.68
LBL ESD									
Tier I				50,729.50	53,221.25	106,740.00			
Tier II				58,223.00	48,592.00	32,683.00			
Total									
				108,952.50	101,813.25	139,423.00	138,452.00	143,484.00	51,906.00
Total MOE									
				579,830.51	682,893.31	1,386,002.00	1,635,606.64	901,435.11	377,637.68
Base Based on IEPs times Prior Year per IEP Amount									
					676,884.70				
Expenditure Change									
				(103,062.80)	6,008.61	(249,604.64)	734,171.53	523,797.43	
IEPs 12/1									
				43.00	42.00	86.00	114.00	98.00	38.00
Per IEP									
				13,484.43	16,259.36	16,116.30	14,347.43	9,198.32	9,937.83
Exceptions									
Exception A - Spec Ed Aide Retiring and not being filled					(29,789.02)				
Exception B - Presence Learning - OT Evaluation Services					(27,134.39)				
Exception D - Fencing					(72,730.80)				
Total Exceptions					(129,654.21)				
Met with Exceptions									
				579,830.51	553,239.10				
Met									
Not Met									