

*2015 Leadership Conference*  
*"All In: Achieving Results Together"*

## LOCAL EDUCATIONAL AGENCY MAINTENANCE OF EFFORT

An Overview of the Final Regulations and  
Major Provision

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### OBJECTIVES

- Why LEA MOE?
- LEA MOE Definition
- Overview of Revisions
- How to calculate: a closer look
- Allowable exceptions and adjustment
- LEA MOE and CEIS Interaction
- CIFR and available tools and TA for States
- Questions and Concerns

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### LEA MOE AND YOU: TURN AND TALK

- What is the biggest challenge or question that you have regarding your administrative responsibilities around LEA MOE?
- Rate your understanding of the new MOE regs:
  - 0 = I didn't even know there were new regs
  - 3 = I could do this workshop
- Discuss the implications.

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### WHY REQUIRE MOE

- Purpose of LEA MOE:
  - Help ensure FAPE
  - Ensure sufficient funds to serve students with disabilities
- Parallel Requirement of State MFS
  - Provide steady source of available funds for LEAs to provide FAPE

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### WHAT IS LEA MOE?

- LEAs must expend at least as much as they did previous year on education of children with disabilities.
- Two standards:
  - Eligibility: Must budget at least as much as they expended in last year for which information available.
  - Compliance must actually expend at least as much as they expended in previous (comparison year)- More on this later.

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### WRITING EXERCISE

- We want your questions and your thoughts on LEA MOE.
- Write them down on the cards provided.
- We will collect them and discuss the ones we can today.
- The others we will take back and provide answers in another forum.

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### OVERVIEW

- NPRM Published in September of 2013.
- Purpose of NPRM: To amend the LEA MOE regulations in §300.203 to clarify existing policy and make changes to:
  - The Compliance Standard
  - The Eligibility Standard
  - The Level of Effort Required of an LEA in the Year after it Fails to Maintain Effort (referred to as the Subsequent Years Rule)
  - Consequences for Failure to Maintain Effort

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### OVERVIEW (continued)

- Final regulations DO NOT introduce major substantive changes to the regulations.
- But, in response to comments, we did make additional changes and clarifications, that address issues not addressed explicitly previously.
- Cumulative effect is significant.

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### OVERVIEW (continued)

- No changes to the LEA MOE exceptions (§300.204) or the LEA MOE Adjustment (§300.205).
- But we will address the exceptions and adjustment later on in this presentation.

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**CATEGORIES OF CHANGES**

1. Structural Changes
2. Four Methods
3. Comparison Year
4. Use of exceptions and adjustment in eligibility standard
5. Subsequent Years Rule
6. Consequences for Failure to Maintain Effort
7. Added Appendix E

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**STRUCTURAL CHANGES**

Regulations reorganized and renumbered the subsections under §300.203 as follows:

- a) Eligibility standard
- b) Compliance standard
- c) Subsequent years
- d) Consequence of failure to maintain effort

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**FOUR METHODS**

- Most common finding
- Not a change
- Made more explicit
- Clarifies that applies to both standards
- Four methods are:
  - local funds only;
  - the combination of State and local funds;
  - local funds only on a per capita basis; or
  - the combination of State and local funds on a per capita basis.

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### SUBSEQUENT YEARS RULE

- First Articulated in Letter to Boundy (2012).
- Enacted into law in the 2014 and 2015 Appropriations Acts.
- Final Regulations make the rule permanent and provide details on implementation and implications.

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### WHAT IT MEANS

- Defines what level of effort an LEA 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 LEA's reduced level of expenditures.

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### Impact of Method on the Subsequent Years Rule

- To determine required level of effort, must look back to last year in which LEA maintained effort
- But must look back to the last year in which it maintained effort **using the same method by which it is establishing compliance.**
- We will explore this further with examples later on.

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**EXCEPTIONS AND  
ADJUSTMENT TO MOE**

- Under IDEA, two categories allowing reduction of level of effort required to meet MOE:
  - Exceptions (§300.204)
  - Adjustment (§300.205)
- No Changes in Final Regulations.
- Under both, reduced level retained moving forward.

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**EXCEPTIONS:  
§ 300.204(a)**

- (a) The **voluntary** departure, by retirement or otherwise, or departure for **just cause**, of special education or related services personnel.
  - Layoffs or Reductions in Force do not count
  - Reduction in LEA share of benefits do not count (Letter to White (2003))
  - Calculations can:
    - Consider differential in salary
    - Look at overall differential for LEA, rather than one-to-one correspondence

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**LETTER TO  
GONZALES (2012)**

- Position-by-position basis; OR
- Total salary of departing SPED teachers **minus** total salaries of new SPED teachers (including former regular ed teachers) and existing SPED teachers replacing departing SPED teachers

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**EXCEPTIONS:  
§ 300.204(b)**

(b) A decrease in the enrollment of children with disabilities.

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**EXCEPTIONS:  
§ 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.**

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**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
  - LRE
  - parents are not disputing change in placement.

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**EXCEPTIONS:  
§ 300.204(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
  - Costly expenditure

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**EXCEPTIONS:  
§ 300.204(e)**

- The assumption of cost by the high cost fund operated by the SEA under § 300.704(c).
- Includes high cost funds financed through federal IDEA funds.

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**MOE ADJUSTMENT  
OR FLEXIBILITY (§300.205)**

- If the IDEA allocation increases, the LEA, if it meets certain conditions, may reduce its MOE level up to 50 percent of the increase in the allocation.
- Conditions
  - Providing FAPE
  - Meets Requirements
  - Has not been identified with a Significant Disproportionality

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### CEIS AND LEA MOE FLEXIBILITY INTERACTION

- Special rule: The amount of funds expended by a LEA for CEIS shall count toward the maximum amount of expenditures such local educational agency may reduce for MOE flexibility
- Impact: Cannot take both full 50% of reduction and 15% for CEIS

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### CALCULATING MOE REDUCTION AND CEIS

- Must first determine the maximum amounts available for CEIS and MOE flexibility.
- Keep in mind:
  - MOE flexibility 50% of the increase in LEAs IDEA **611** allocation over previous year
  - Amount available for CEIS is 15% of an LEA's **611 and 619** allocation.

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### USE OF EXCEPTIONS AND THE ELIGIBILITY STANDARD

- Prior regulations silent on applicability of exceptions and adjustments (§§300.204 and 205)
- Based on comments, decision was made to explicitly allow LEAs to consider the exceptions:
  - to the extent the information is available;
  - exceptions taken in the intervening year; and
  - exceptions that LEAs reasonably expect to take in the fiscal year for which the LEA is budgeting.

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## MAKING IT CONCRETE

- Next series of slides takes these principles and applies them with real numbers
- We hope this will help illustrate what all of this means and how it works.

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## Appendix E – Table 4

Fiscal Year	Actual Level of Effort	Required Level of Effort	Met MOE?
2012-2013	\$100	\$100	YES
2013-2014	\$90	\$100	NO
2014-2015	\$90	\$100	NO
2015-2016	\$110	\$100	YES
2016-2017		\$110	

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## Appendix E – Table 5

Fiscal Year	Local only	State and local	Local only per capita	State and local per capita	Child count
2016	\$500	\$950	\$50	\$95	10
2017	\$400	\$950	\$40	\$95	10
2018	\$500	\$900	\$50	\$90	10

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### Practice

- In small groups, use the example data tables to identify:
  - Which years the LEA met MOE
  - Which methods the LEA used to meet MOE in each year
- We will share out in 5 minutes.

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### Example Data

Fiscal Year	Local only	State and local	Local only per capita	State and local per capita	Child count
2016	\$10,500	\$21,000	\$1,050	\$2,100	10
2017	\$10,400	\$21,600	\$1,300	\$2,700	8
2018	\$10,650	\$21,500	\$1,065	\$2,150	10
2019	\$10,800	\$22,200	\$900	\$1,850	12
2020	\$8,900	\$22,000	\$890	\$2,200	10

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### Appendix E – Table 6

Fiscal Year	Original Required Level of Effort	Exceptions & Adjustments	Required Level of Effort	Actual Level of Effort
2016	\$500	--	\$500	\$500
2017	\$500	--	\$500	\$400
2018	\$500	\$50	\$450	\$450
2019	\$450	\$10 + \$10	\$430	\$405

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Appendix E – Table 6

Fiscal Year	Child Count	Original Required Level of Effort	Exceptions & Adjust.	Required Level of Effort	Actual Level of Effort
2016	10	\$50	--	\$50	\$50
2017	10	\$50	--	\$50	\$40
2018	10	\$50	\$50/10	\$45	\$45
2019	9	\$45	\$20/10	\$43	\$45

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Appendix E – Table 8

Fiscal Year	Local only	State and local	Local only per capita	State and local per capita	Child Count
2015	\$500	\$1,000	\$50	\$100	10
2016	\$450	\$1,000	\$45	\$100	10
2017	--	--	--	--	--
Required in 2018	\$500	\$1,000	\$50	\$100	--

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Appendix E – Table 9

	Local only	State and local	Local only per capita	State and local per capita	Child Count
Actual 2015	\$500	\$1,000	\$50	\$100	10
Exc. & Adj. taken in 2016	-\$50	-\$50	-\$5	-\$5	
Expected Exc. & Adj. for 2017	-\$25	-\$25	-\$2.50	-\$2.50	
Eligibility standard requirement in 2017	\$425	\$925	\$42.50	\$42.50	

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**CONSEQUENCES FOR  
MOE FAILURE**

- If LEA fails MOE, SEA **must** repay Federal Government out of Non-Federal Funds (or non-accountable Federal Funds).
- **May** require repayment from LEA out of Non-Federal Funds (or non-accountable Federal Funds).
- This is **not** new: based on GEPA (20 U.S.C. 1234a)
- Clarify by making it explicit in regulations
- Also clarifies how much must be returned

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**AMOUNT TO BE REPAID  
FOR LEA MOE FAILURE**

...an amount equal to the amount by which the LEA failed to maintain its level of expenditures in accordance with paragraph (b) of this section in that fiscal year, or the amount of the LEA's Part B subgrant in that fiscal year, whichever is lower.

§300.203(d)

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**CENTER FOR IDEA  
FISCAL REPORTING**

- CIFR was funded by OSEP starting in November 2014
- Intended to provide TA to States on the collection and reporting on two fiscal data collections, and their underlying fiscal requirements:
  - State MFS
  - LEA MOE/CEIS

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## OBJECTIVES OF PRESENTATION

- Participants will learn about:
  - CIFR's purpose and focus
  - Types of technical assistance and resources that CIFR offers

You can learn more at:  
<http://cifr.wested.org/>

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## WHAT IS CIFR?

- Purpose: provide technical assistance to state education agencies on their IDEA Part B fiscal data collection and reporting obligations, specifically:
  - State Maintenance of Financial Support (MFS)
  - Local Educational Agency Maintenance of Effort Reduction (LEA MOE) and Coordinated Early Intervening Services (CEIS)

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## CIFR LEADERSHIP

### CIFR Co-Directors

- Dave Phillips, WestEd
- Cecelia Dodge, WestEd
- Jenifer Harr-Robins, AIR

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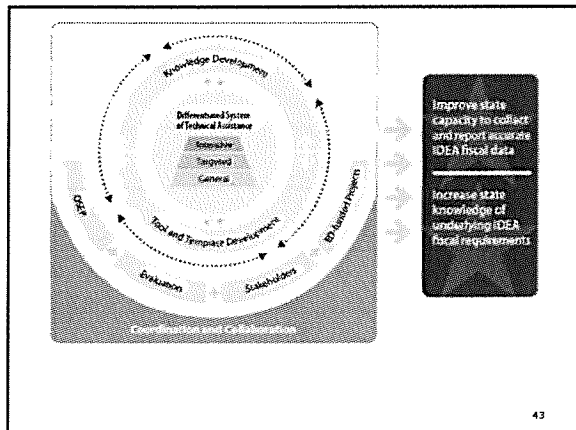
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- ### CIFR KEY AREAS
- Technical Assistance
    - Team Leads: Wayne Ball (TAESE) & Paula Burdette (WestEd)
  - Tool & Template Development
    - Team Lead: Tom Munk (Westat)
  - Knowledge Development
    - Team Lead: Steve Smith (TAESE)
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- ### GETTING TO KNOW STATE NEEDS
- Conduct interviews with state directors of special education and other state staff
  - Purpose: To better understand state TA needs, strengths, and challenges in meeting the IDEA fiscal reporting requirements
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**HOW CAN CIFR HELP?**

- Comprehensive Website
- Resource Library
  - Crosswalk of new MOE regs
- Listserv
- Presentations
- Tools and Templates

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**MOE-SPECIFIC PRODUCTS AVAILABLE SOON**

- Quick Reference Guide
- Analysis of new MOE regulations
- Pre-submission Edit Check Tool for LEA MOE CEIS (IDC and CIFR)
- MOE Reduction Decision Tree (IDC)

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**HOW CAN CIFR HELP?**  
(continued)

- Respond to SEA requests
- Communities of Practice
  - Face to face extensions of CoPs
- Customized tools, webinars or presentations
- Other

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**HOW CAN CIFR HELP?**  
(continued)

- 10 states per year selected for individualized TA
  - Professional development for state or local staff
  - Development of state-specific procedures, policies, tools, or templates
  - Onsite, face-to-face meetings to support data collection, validation, and reporting
  - TA tailored to an individual state’s needs

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Questions and Comments

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Follow Up

- If you have further questions contact:
  - Matthew Schneer,  
[matthew.schneer@ed.gov](mailto:matthew.schneer@ed.gov)
  - CIFR  
[cifr\\_info@wested.org](mailto:cifr_info@wested.org)

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