

2015 Joint Federal Programs Summit

MAINTENANCE OF EFFORT

FEDERAL PROGRAMS

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OKLAHOMA
STATE DEPARTMENT of EDUCATION

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Special Education

Maintenance of Effort

- IDEA 613(a)(2)(A)(iii) Funds provided to the LEA under IDEA Part B may not be used to reduce the level of state and/or local funds used to provide special education and related services.
- Federal requirements mandate that federal grant funds supplement (increase) not supplant (replace) existing funding for special education programs.
- An LEA may reduce the level of expenditures according to 34 CFR § 300.204.

Maintenance of Effort

- The voluntary departure, by retirement or otherwise, or departure for just cause, of special education or related services personnel.
- A decrease in the enrollment of a child with disabilities. (SEA already takes this into consideration for districts)
- The termination of costly expenditures for long-term purchases, such as the acquisition of equipment or the construction of school facilities.

Maintenance of Effort

- 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.

Maintenance of Effort

- The assumption of cost by the high cost fund operated by the SEA under § 300.704

Adjustment to Local Fiscal Efforts in Certain Fiscal Years

- For any fiscal year for which the allocation received by an LEA under exceeds the amount the LEA received for the previous fiscal year, the LEA may reduce the level of expenditures by not more than 50 percent of the amount of that excess.
- Special Rule. The amount of funds expended by an LEA for early intervening services under shall count toward the maximum amount of expenditures that the LEA may reduce.

Example of Adjustment

- In FY 16, Project 621 Allocation was \$150,000.00
 - In FY 15, Project 621 Allocation was \$100,000.00
- Difference \$ 50,000.00

50% Rule \$25,000.00

In FY 16, the district can reduce the local and state expenditures for special education by \$25,000.00

Example of Adjustment with Early Intervening Services

- In FY 16, Project 621 Allocation was: \$150,000.00
 - In FY 15, Project 621 Allocation was: \$100,000.00
- Difference: \$ 50,000.00
- 50% Rule: \$ 25,000.00
- Minus Early Intervening Set Aside: \$ 10,000.00

In FY 16, the district can reduce the local and state expenditures for special education by \$15,000.00

MOE Calculation

- Funds 11 through 60, Excluding 12 and 41
- Project Codes 000-399
- Function Codes 1000 through 3200
- Object Codes 100 through 899
- Program Code 239

New Regulation Starting in FY 15

- IDEA section 613 (a)(2)(A)(iii) and 34 CFR § 300.203¹
The level of effort a local education agency must meet under section 613 (a)(2)(A)(iii) of IDEA, in the year after it fails to maintain effort is the level of effort that would have been required in the absence of that failure and not the LEA's reduced level of expenditures.
- Under this provision, if an LEA failed to maintain effort in 2013-2014, the level of effort that the LEA must maintain in 2014-2015 is the level of effort that it would have been required in 2013-2014 in the absence of that failure, and not the LEA's reduced level of expenditures in 2013-2014

New Regulation Example

Table 1. LEA Maintained Effort in 2013-2014

Fiscal Year	Actual level of effort	Required level of effort	Notes
2012-2013	\$100	\$100	LEA met MOE requirement
2013-2014	\$90	\$90	LEA properly took exceptions and adjustments in 34 CFR §§300.204 and 300.205
2014-2015		\$90	Required level of effort is \$90 because LEA expended \$90 and met MOE in 2013-2014

New Regulation Example

OKLAHOMA STATE DEPARTMENT OF EDUCATION
 FINANCIAL ACCOUNTING - OCAS EXPENDITURE REPORT
 MAINTENANCE OF EFFORT FOR SPECIAL EDUCATION

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COUNTY	DISTRICT	2013-2014			2014-2015			% CHG IN EXPEND	% CHG IN PER CAP
		EXPENDITURE	OCT 1, 2013 CHILD CT	PER CAP	EXPENDITURES	OCT 1, 2014 CHILD CT	PER CAP		
01 Any County	I000 Any School in Oklahoma	35,706.74	58	616	27,574.98	63	438	(22.77)	(28.90) *

- In FY 15, this District did not MOE. The District filed for an exemption of \$8,131.76 based on the voluntary departure of special education personnel. In FY 16, the District will have to meet the expenditure level of FY 15.

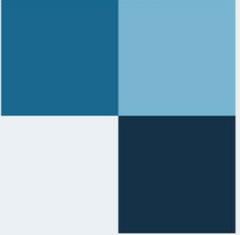
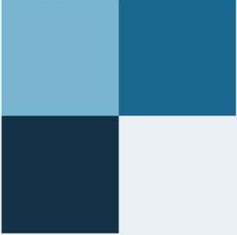
New Regulation Example

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01 Any County	I000 Any School in Oklahoma	35,706.74	58	616	27,574.98	63	438	(22.77)	(28.90) *

- In FY 15, this District did not MOE. The District did not have an exemption. In FY 16, the District will have to meet the expenditure level of FY 14.



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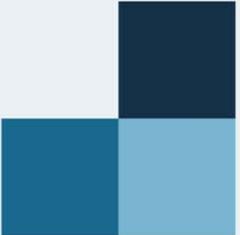
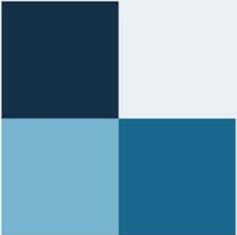
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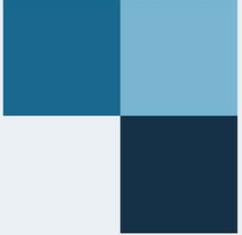
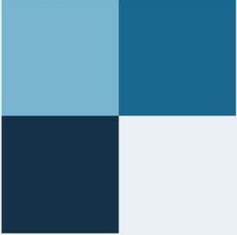
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The Answer Is:

NO

**LEA's cannot apply for a
waiver for Special Education
Maintenance of Effort.**



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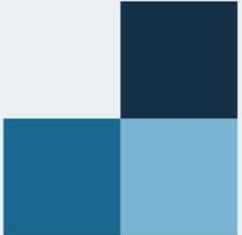
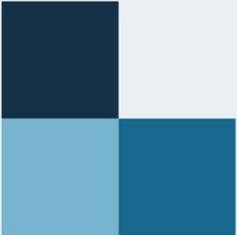
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The Answer Is:

**LEA's will lose state aid funds
if Special Education
Maintenance of Effort
is not met.**

No Child Left Behind

NCLB

- Maintenance of Effort

(a) IN GENERAL- A local educational agency may receive funds under a covered program for any fiscal year only if the State educational agency finds that either the combined fiscal effort per student or the aggregate expenditures of the agency and the State with respect to the provision of free public education by the agency for the preceding fiscal year was not less than 90 percent of the combined fiscal effort or aggregate expenditures for the second preceding fiscal year.

NCLB

(b) REDUCTION IN CASE OF FAILURE TO MEET-

(1) IN GENERAL- The State educational agency shall reduce the amount of the allocation of funds under a covered program in any fiscal year in the exact proportion by which a local educational agency fails to meet the requirement of subsection (a) of this section by falling below 90 percent of both the combined fiscal effort per student and aggregate expenditures (using the measure most favorable to the local agency).

(2) SPECIAL RULE- No such lesser amount shall be used for computing the effort required under subsection (a) of this section for subsequent years.

NCLB

(c) WAIVER- The Secretary may waive the requirements of this section if the Secretary determines that a waiver would be equitable due to:

(1) exceptional or uncontrollable circumstances, such as a natural disaster; or

(2) a precipitous decline in the financial resources of the local educational agency.

NCLB MOE Calculation

- Total Expenditures
 - Funds 11 through 60, Excluding 12 and 41
 - Function Codes 1000 through 3200
 - Object Codes 100 through 899
- Deductions
 - Adult Education Expenditures
 - Community Services
 - Capital Outlay
 - Payments to LEA's
 - Federal Funds
 - Student Activities

NCLB MOE Calculation

- Inputs
 - Teacher Retirement
 - Career Tech
 - Co-op Funds
- Net Current Expenditures
 - Must be matched by 90% from year to year.

NCLB MOE Calculation

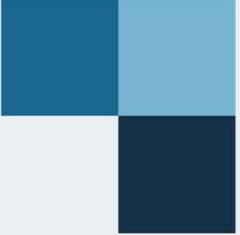
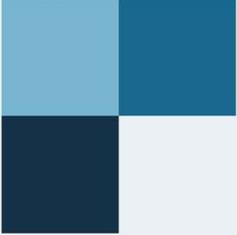
- Three ways to Calculate Maintenance of Effort.
 - Expenditures
 - Average Daily Attendance Per Student Expenditure
 - October 1 Enrollment Per Student Expenditure

FEDERAL FUNDS TO BE REDUCED by PERCENTAGE NOT MET

- Title I, Part A
- Title I, School Improvement Program
- Title I, Part B, Subpart 3, Even Start
- Title I, Part D, Prevention and Intervention Programs for Children and Youth who are Neglected, Delinquent, or At Risk
- Title II, Part A, Improving Teacher Quality
- Title II, Part D, Educational Technology
- Title III, Part A, English Language Acquisition
- Title IV, Part B, 21st Century Learning Centers
- Title VI, Part B, Subpart 2, Rural Education Programs
- Title VII, Indian Education
- Title X, Part C, McKinney-Vento Education of Homeless Youth

FEDERAL FUNDS TO BE REDUCED BY 100%

- Title VIII Impact Aid Funds



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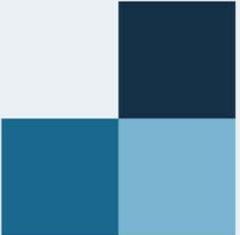
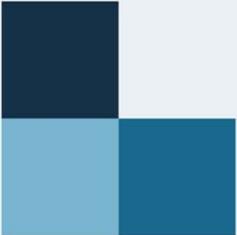
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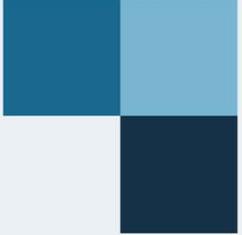
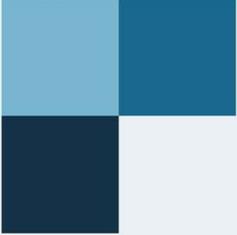
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The Answer Is:
Special Education MOE is for
only Special Education Local
and State Expenditures
and
NCLB MOE is overall Local
and State Expenditures



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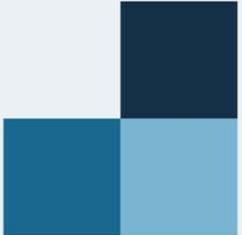
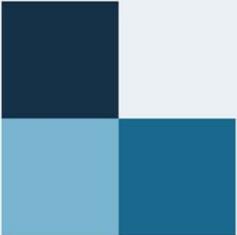
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