

SCASBO

IDEA Maintenance of Effort

November 9, 2023

Michelle Williams-Young, Team Lead
Marlene Metts, FGM Consultant

Agenda

- Background-why are we making these changes?
 - MOE Basics
 - Local effort-prior to July 1, 2022
- New process
 - What changed?
 - What was the impact?
- Examples of using Exceptions and Adjustments
- Questions/Comments



What is LEA/MOE?

- Maintenance of Effort (MOE) is the requirement that IDEA funds not be used to reduce expenditures on special education and related services from state and local funds.
- There is an MOE eligibility requirement that must be met to receive funds. This is collected with the LEA's assurances.
- There is also an MOE Compliance requirement. Failing to meet the compliance requirement can result in repayment of the shortfall



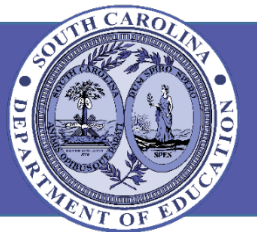
IDEA/MOE reminders

- There are 4 Methods for demonstrating compliance with this requirement
- IDEA Maintenance of Effort is specific to this award
- Cumulative process of comparing expenditures for special education and related services to the most recent year where a district “Met” for each method



LEA/MOE Continued

- There are some exceptions that can be used to reduce the MOE threshold.
- There is also an MOE adjustment/reduction that may be available to some LEAs.
- There is NO WAIVER of the MOE requirement for LEAs-even when supplemental federal funds (such as ESSER...) are provided.



Transition

- SCDE sought Technical Assistance from the Center for IDEA Fiscal Reporting (CIFR) throughout
- OSES and Finance Staff Met to Problem Solve
- SCDE convened a small group of CFOs to discuss recommendations
- OSES met with another state experiencing similar changes.



Conditions

- No exceptions to LEA/MOE that would allow us to “reset” when we have a change in how funding is determined
- No allowance for “going back” to recalculate MOE
- SEA must allow LEAs to use all 4 methods—if they can document
- Must be auditable
- If LEA cannot identify local expenditures—must be counted as state/local and state/local per capita



Goals

Develop an auditable method for separating state/local so LEAs will have all four methods available to them.

Provide guidance on how to use available flexibility to reduce MOE “threshold”, particularly for local funds.

Compliance for MOE 22-23 will be reported using the revised Calculator



What fiscal information is required?

- LEAs demonstrate compliance with MOE by budgeting/expending the required funds for *special education* and *related services*.
- Special education means specially designed instruction, at no cost to the parents, to meet the unique needs of a child with a disability. This is described in the child's IEP.
- Related services means transportation...other supportive services as are required to assist a child with a disability to benefit from special education. Other common examples include speech therapy, occupational therapy, physical therapy, and psychological services.



Calculation of MOE (Single Audit Guide)

Suggested Audit Procedure(s)

Compare the total expenditure for students with disabilities in the General Fund, the EIA Fund, and the Special Revenue Fund (excluding any federal dollars) for the audit period with the total expenditure for students with disabilities in these funds for the prior period. The total expenditure for the audit period must at least be equal to or greater than the total expenditure in the prior period. From each of these applicable funds, the following function codes may be included to the extent that they include special education and related services:

- Function Codes 121-128
- Function Codes 131-138
- Function Code 161 Autism

From each of these applicable funds, expenditures from the following function codes may be included if they are for special education and related services:

- Function Code 210 Series
- Function Code 221 Improvement of Instruction Curriculum Development
- Function Codes 223-224
- Function Codes 271 Pupil Service Activities



What are the four calculations?

- Total state and local
- Total state and local per capita
- Total local
- Total local per capita

Calculation of “Local Only”

Most expenditures for special education and related services come from the General Fund, which is a combination of state support provided through EFA as well as local funds.

Expenditures are not distinguished by the source; however, our guidance from OSEP is that if you cannot separate state from local funds, they must be counted under “Total State and Local”.

This reduces the LEA’s ability to use all four calculation methods.

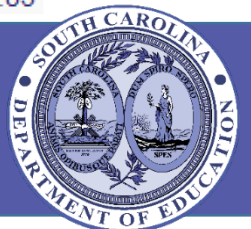
We encourage LEAs to use all available methods for these reasons:

- More opportunity to meet the standard
- When an LEA does not meet MOE, the State Agency uses the smallest shortfall to determine the amount to be repaid. That is usually the local amount.



Prior to 22-23 Formula: Determining Local or State

Category	Revenue Code	Money Paid in Prior Months	Calculated Payment	Payment Due	Revenue Transfer	Money Paid To Date	Adjusted Revenue
KINDERGARTEN	3311	\$ 2,341,049.90	\$ 168,917.50	\$ 168,917.50	\$ 0.00	\$ 2,509,967.40	\$ 2,509,967.40
PRIMARY	3312	\$ 7,256,641.40	\$ 584,276.83	\$ 584,276.83	\$ 0.00	\$ 7,840,918.23	\$ 7,840,918.23
ELEMENTARY	3313	\$ 12,321,479.12	\$ 980,278.55	\$ 980,278.55	\$ 0.00	\$ 13,301,757.67	\$ 13,298,424.74
HIGH SCHOOL	3314	\$ 3,753,799.60	\$ 261,263.21	\$ 261,263.21	\$ 0.00	\$ 4,015,062.81	\$ 4,015,062.81
EM H	3322	\$ 626,127.05	\$ 82,186.87	\$ 82,186.87	\$ 0.00	\$ 708,313.92	\$ 708,313.92
LD	3323	\$ 4,085,163.49	\$ 455,133.01	\$ 455,133.01	\$ 0.00	\$ 4,540,296.50	\$ 4,540,296.50
TM	3315	\$ 239,944.15	\$ 19,510.58	\$ 19,510.58	\$ 0.00	\$ 259,454.73	\$ 259,454.73
EH	3321	\$ 206,118.39	\$ 18,687.43	\$ 18,687.43	\$ 0.00	\$ 224,805.82	\$ 224,805.82
OH	3326	\$ 68,394.39	\$ 1,010.91	\$ 1,010.91	\$ 0.00	\$ 69,405.30	\$ 69,405.30
VH	3325	\$ 105,704.52	\$ 6,178.84	\$ 6,178.84	\$ 0.00	\$ 111,883.36	\$ 111,883.36
AUT	3331	\$ 1,256,632.09	\$ 145,752.78	\$ 145,752.78	\$ 0.00	\$ 1,402,384.87	\$ 1,402,384.87
HH	3324	\$ 126,798.60	\$ 22,564.34	\$ 22,564.34	\$ 0.00	\$ 149,362.94	\$ 149,362.94
SP H	3316	\$ 1,844,216.64	\$ 90,568.19	\$ 90,568.19	\$ 0.00	\$ 1,934,784.83	\$ 1,934,784.83



Current formula (beginning July 1, 2022)

- Weightings for special education are now all the same @ 2.6
- No longer have a base student cost—new factor is much larger
- Much of EIA has been rolled into the general fund
- State portion, on average is 75%
- Result—the amount generated by special education weightings is much greater than in prior years. Therefore, if we use the current recommended process for identifying “local only”, the result will be much lower. LEAs will have difficulty using “local only”



New Calculator from the Center for IDEA Fiscal Reporting (CIFR)

- Version 2.0 allows more personalization
- Does not contain all the historical information
- OSES will add fiscal data each year



Format of Version 2.0

5. SFY 22-23 Amounts

6. SFY 22-23 Exc & Adj

7. SFY 22-23 Summary

SFY 22-23 State and Local Data





State and Local Data

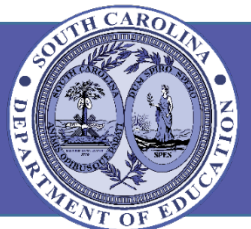
Eligibility Standard - State Fiscal Year 2023 - LEA Effort - Budgeted Amounts					Compliance Standard - State Fiscal Year 2023 - LEA Effort - Final Expenditures					
LEA	District Number	Total Entitled	Local	Index	LEA	District number	Child Count	Entitled	Local	%Local
Abbeville	0160	17,358,926.68	2,882,935.21	16.61%	Abbeville	0160	375	17,358,926.68	\$2,882,935.21	16.61%
Aiken	0201	141,355,701.49	33,656,855.42	23.81%	Aiken	0201	2942	141,355,701.49	\$33,656,855.42	23.81%
Allendale	0301	5,963,488.87	1,232,313.48	20.66%	Allendale	0301	95	5,963,488.87	\$1,232,313.48	20.66%
Anderson 1	0401	63,961,636.98	9,756,757.21	15.25%	Anderson 1	0401	1682	63,961,636.98	\$9,756,757.21	15.25%
Anderson 2	0402	22,264,967.28	2,735,962.05	12.29%	Anderson 2	0402	583	22,264,967.28	\$2,735,962.05	12.29%
Anderson 3	0403	16,582,868.83	2,453,321.34	14.79%	Anderson 3	0403	365	16,582,868.83	\$2,453,321.34	14.79%
Anderson 4	0404	18,706,888.15	4,657,918.86	24.90%	Anderson 4	0404	478	18,706,888.15	\$4,657,918.86	24.90%
Anderson 5	0405	77,570,743.09	14,018,979.08	18.07%	Anderson 5	0405	1821	77,570,743.09	\$14,018,979.08	18.07%
Bamberg	0503	11,285,506.39	1,424,509.16	12.62%	Bamberg	0503	212	11,285,506.39	\$1,424,509.16	12.62%
Barnwell 45	0645	12,550,437.26	1,582,787.96	12.61%	Barnwell 45	0645	315	12,550,437.26	\$1,582,787.96	12.61%
Barnwell 48	0648	7,807,631.53	1,232,313.48	15.78%	Barnwell 48	0648	166	7,807,631.53	\$1,232,313.48	15.78%
Beaufort	0701	127,214,563.01	77,963,612.68	61.29%	Beaufort	0701	2652	127,214,563.01	\$77,963,612.68	61.29%
Berkeley	0801	226,482,560.39	54,289,627.04	23.97%	Berkeley	0801	5325	226,482,560.39	\$54,289,627.04	23.97%
Calhoun	0901	9,694,374.04	3,855,219.25	39.77%	Calhoun	0901	253	9,694,374.04	\$3,855,219.25	39.77%
Charleston	1001	274,855,484.47	161,026,063.72	58.59%	Charleston	1001	5442	274,855,484.47	\$161,026,063.72	58.59%
Charter Erskine	4801	228,526,444.42	-	0.00%	Charter Erskine	4801	2806	228,526,444.42	\$0.00	0.00%
Cherokee	1101	49,230,663.56	9,847,202.24	20.00%	Cherokee	1101	1074	49,230,663.56	\$9,847,202.24	20.00%
Chester	1201	30,320,933.73	5,449,312.84	17.97%	Chester	1201	743	30,320,933.73	\$5,449,312.84	17.97%
Chesterfield	1301	42,651,255.21	6,421,596.87	15.06%	Chesterfield	1301	712	42,651,255.21	\$6,421,596.87	15.06%
Clarendon	1406	27,281,646.36	4,601,390.71	16.87%	Clarendon	1406	598	27,281,646.36	\$4,601,390.71	16.87%



State and Local Data-Compliance

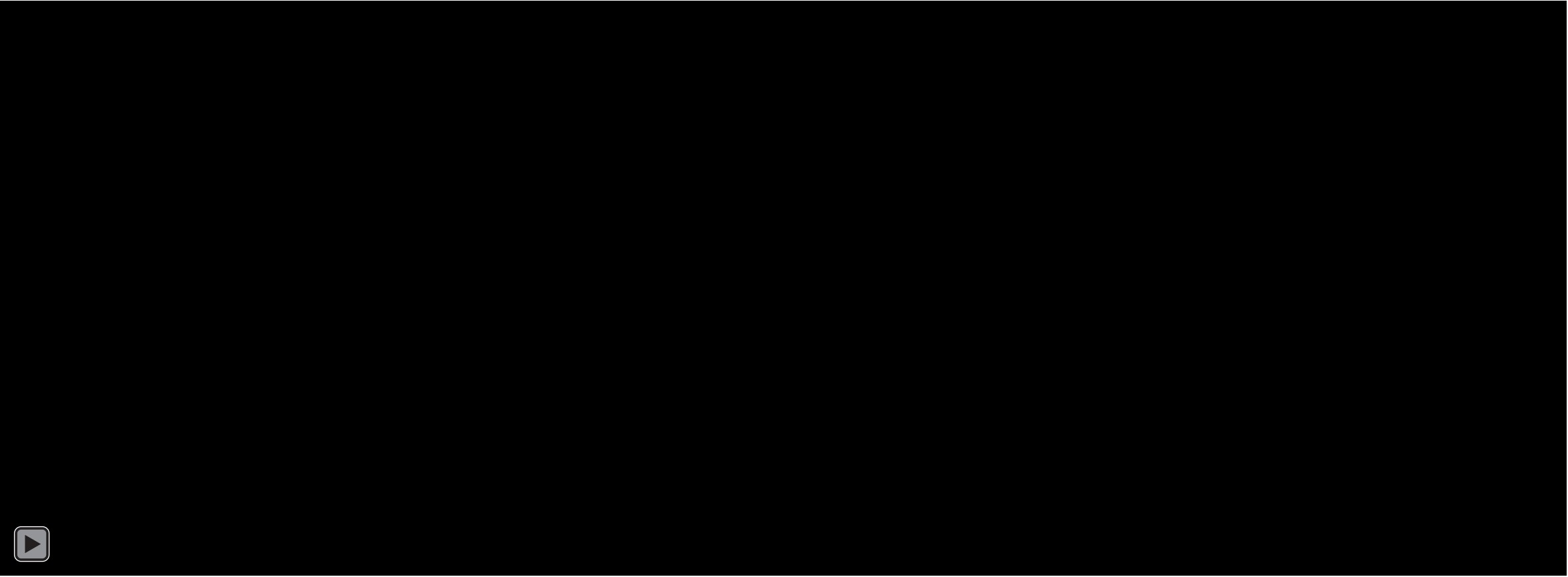



Compliance Standard - \$		Fiscal Year 2023 - LEA Effort - Final Expenditures			
LEA	District number	Child Count	Entitled	Local	%Local
Abbeville	0160	375	17,358,926.68	\$2,882,935.21	16.61%
Aiken	0201	2942	141,355,701.49	\$33,656,855.42	23.81%
Allendale	0301	95	5,963,488.87	\$1,232,313.48	20.66%
Anderson 1	0401	1682	63,961,636.98	\$9,756,757.21	15.25%
Anderson 2	0402	583	22,264,967.28	\$2,735,962.05	12.29%
Anderson 3	0403	365	16,582,868.83	\$2,453,321.34	14.79%
Anderson 4	0404	478	18,706,888.15	\$4,657,918.86	24.90%
Anderson 5	0405	1821	77,570,743.09	\$14,018,979.08	18.07%
Bamberg	0503	212	11,285,506.39	\$1,424,509.16	12.62%
Barnwell 45	0645	315	12,550,437.26	\$1,582,787.96	12.61%
Barnwell 48	0648	166	7,807,631.53	\$1,232,313.48	15.78%
Beaufort	0701	2652	127,214,563.01	\$77,963,612.68	61.29%
Berkeley	0801	5325	226,482,560.39	\$54,289,627.04	23.97%
Calhoun	0901	253	9,694,374.04	\$3,855,219.25	39.77%



Child Count	1528	LEA Name	Demo District	Please add contact email:	
Compliance Standard - State Fiscal Year 2023 - LEA Effort - Final Expenditures					
21.46%		SFY 2023 Final Expenditures Tab 4			
Total State and Local Expenditures for Special Education/Related services for Students with Disabilities from the General Fund	Function	Total	Local	State	State and Local
Intellectual disability, mild	121				
Intellectual disability, mod-severe	122				
Orthopedically impaired	123				
Visually Impaired	124				
Hearing Impaired/Deaf	125				
Speech-language impaired	126				
Specific learning disability	127				
Emotional disability	128				
Autism	161				
Preschool 5 year olds-speech	131				
Preschool 5 year olds-itinerant	132				
Preschool 5 year olds-self-contained	133				
Preschool 5 year olds-homebased	134				
Preschool 3&4 year olds-speech	135				
Preschool 3&4 year olds-itinerant	136				
Preschool 3&4 year olds-self-contained	137				
Preschool 3&4 year olds-homebased	138				
IEP required Health Services	213				
School Psychological Services	214				
Exceptional Children Service	215				
Consulting/Professional Development	221				
Special Education Administration	223				
Staff Training(Sal,Fringe, P/S, Supp)	224				
Other functions from GF-see tab 42	LEA Worksheet				
Other state funds-see tab 42	LEA Worksheet				
Other local funds	LEA Worksheet				
Reserved					
Reserved					
Reserved					
Excess Cost cannot exceed:	\$ -				
Grand Totals					
Per Capita Amounts					





The Power of Exceptions (even when you don't need them)



Intervening Years-Tabs 2 and 3a

Compliance standard: For each method, list the last fiscal year prior to state fiscal year 2023 in which the LEA met the LEA MOE compliance standard and the final expenditures and child count for that year.

Method	Last year met (four-digit year)	Expenditures last year met	Child count last year met
Total Local Funds	2022	\$ 526,510.54	570
Total State and Local Funds	2022	\$ 2,688,903.09	570
Local Funds Per Capita	2022	\$ 923.70	570
State and Local Funds Per Capita	2022	\$ 4,717.37	570



Intervening Years-Tabs 2 and 3a

Compliance standard: For each method, list the last fiscal year prior to state fiscal year 2023 in which the LEA met the LEA MOE compliance standard and the final expenditures and child count for that year.

Method	Last year met (four-digit year)	Expenditures last year met	Child count last year met
Total Local Funds	2021	\$ 4,490,309.41	1,002
Total State and Local Funds	2021	\$ 7,987,744.14	1,002
Local Funds Per Capita	2022	\$ 4,373.55	973
State and Local Funds Per Capita	2022	\$ 7,851.70	973

There are intervening years. Use the intervening years tab to calculate exceptions and adjustments.

There are intervening years. Use the intervening years tab to calculate exceptions and adjustments.



Year	Total taken Exceptions & Adjustment: Local Funds Only	Total taken Exceptions & Adjustment: State and Local Funds
2022		
2021		



Cumulative effect of exceptions

LEA Name	Demo 2-enrollment and per c					Multi-Year M
Fiscal Year	Standard	Child Count	Local Total Amount	Local Total MOE Result	State and Local Total Amount	State and Local Total MOE Result
2017-2018	Compliance (Expenditures)	410	\$ 367,724.51	Met	\$ 1,718,580.53	Met
2018-2019	Compliance (Expenditures)	410	\$ 196,165.92	Did Not Meet	\$ 1,686,977.76	Met
2019-2020	Compliance (Expenditures)	410	\$ 196,165.92	Did Not Meet	\$ 1,721,876.00	Met
2020-2021	Compliance (Expenditures)	410	\$ 196,165.92	Did Not Meet	\$ 1,802,650.69	Met
2021-2022	Compliance (Expenditures)	410	\$ 196,165.92	Did Not Meet	\$ 1,898,906.68	Met



Cumulative exceptions

Exceptions to Maintenance of Effort as Permitted by §300.204

(a) The voluntary departure, by retirement or otherwise, or departure for just cause, of special education or related services personnel.

Year	Amount
2021-22 Total	\$ 75,000.00
2020-21 Total	\$ 45,000.00
2019-20 Total	\$ 35,000.00
2018-19 Total	\$ 20,000.00



MOE

Which standard do you want to measure?		Compliance
METHOD 1: LOCAL TOTAL		
Calculations	Local Total	MOE Result
Comparison Year	2017-2018	
Comparison Year Amount	\$ 367,724.51	
2021-22 Amount	\$ 196,165.92	Did Not Meet
Initial Difference	\$ 171,558.59	
Total Exceptions	\$ 175,000.00	
Difference with Exceptions	\$ (3,441.41)	Met
Total Adjustment	NA	
Final Shortfall	\$ -	



Result

LEA Name	Demo 2-enrollment and per c					Multi-Year M
Fiscal Year	Standard	Child Count	Local Total Amount	Local Total MOE Result	State and Local Total Amount	State and Local Total MOE Result
2018-2019	Compliance (Expenditures)	410	\$ 196,165.92	Did Not Meet	\$ 1,686,977.76	Met
2019-2020	Compliance (Expenditures)	410	\$ 196,165.92	Did Not Meet	\$ 1,721,876.00	Met
2020-2021	Compliance (Expenditures)	410	\$ 196,165.92	Did Not Meet	\$ 1,802,650.69	Met
2021-2022	Compliance (Expenditures)	410	\$ 196,165.92	Met with Exceptions or Adjustments	\$ 2,158,906.68	Met



LEA Name

Demo 2-enrollment and per capita

Compliance Standard -- Exceptions to MOE as Permitted by 34 CFR §300.204 and Adjustment to MOE as Permitted by 34 CFR §300.205 -- 2021-2022 Final Expenditures

Exception (a) The voluntary departure, by retirement or otherwise, or departure for just cause, of special education or related services personnel. (Only include salary and benefits paid from state and/or local funds)

Departing Personnel

Position Title	Employee Name	Reason for Leaving	Salary	Benefits	Total Expenditures
Special Education Teacher	Smith	Retirement	\$ 55,000.00	\$ 20,000.00	\$ 75,000.00
					\$ -
					\$ -
					\$ -
					\$ -
Departing Total			\$ 55,000.00	\$ 20,000.00	\$ 75,000.00

Replacement Personnel

Position Title	Employee Name		Salary	Benefits	Total Expenditures
					\$ -
					\$ -
					\$ -
					\$ -
					\$ -
Replacement Total			\$ -	\$ -	\$ -
Net Allowed Reduction (Departing - Replacement)					\$ 75,000.00



Result-voluntary departure

Which standard do you want to measure?

Compliance

NOTE: SCROLL TO THE RIGHT TO SEE PER CAPITA METHODS

LEA Name

METHOD 1: LOCAL TOTAL

(a) The voluntary departure, by retirement or otherwise, or departure for just cause, of special education or related services personnel.

Year	Amount
2021-22 Total	\$ 75,000.00
2020-21 Total	\$ 45,000.00
2019-20 Total	\$ 35,000.00
2018-19 Total	\$ 20,000.00

on the Exception/Adjustment tab for each year.

METHOD 2: STATE AND LOCAL TOTAL

(a) The voluntary departure, by retirement or otherwise, or departure for just cause, of special education or related services personnel.

Year	Amount
2021-22 Total	\$ 75,000.00



MOE Adjustment



Which standard do you want to measure?

Compliance

METHOD 1: LOCAL TOTAL

Comparison Year Amount	\$ 367,724.51	
2020-21 Amount	\$ 196,165.92	Did Not Meet
Initial Difference	\$ 171,558.59	
Total Exceptions	\$ 100,000.00	
Difference with Exceptions	\$ 71,558.59	Did Not Meet
Total Adjustment	\$ 75,000.00	
Final Shortfall	\$ (3,441.41)	Met



Result of Combined Exceptions and Adjustments

2018-2019	Compliance (Expenditures)	410	\$ 196,165.92	Did Not Meet	\$ 1,686,977.76	Met
2019-2020	Compliance (Expenditures)	410	\$ 196,165.92	Did Not Meet	\$ 1,721,876.00	Met
2020-2021	Compliance (Expenditures)	410	\$ 196,165.92	Met with Exceptions or Adjustments	\$ 1,802,650.69	Met
2021-2022	Compliance (Expenditures)	410	\$ 196,165.92	Met	\$ 2,158,906.68	Met



MOE Summary (Tab 4)

LEA Name		Demo District		Multi-Year MOE Summary							
Year in Calculator	Fiscal Year	Standard	Child Count	Total Local Funds	Total Local Funds MOE Result	Total State and Local Funds Amount	Total State and Local Funds MOE Result	Local Funds Per Capita Amount	Local Funds Per Capita MOE Result	State and Local Funds Per Capita Amount	State and Local Funds Per Capita MOE Result
Last Year Met Compliance Standard Prior to 2023				\$ 2,413,123.97	2016: Met	\$ 8,232,606.53	2022: Met	\$ 4,374.17	2016: Met	\$ 4,452.46	2022: Met
22-23 Amounts	2023	Compliance Standard (Expenditures)	1528								
23-24 Amounts	2024	Compliance Standard (Expenditures)									
24-25 Amounts	2025	Compliance Standard (Expenditures)									



USER INSTRUCTIONS

General

The new LEA/MOE Calculator (Version 2.0) has a different format than previous versions. It also allows more customization so states can add worksheets and other modifications to fit their funding systems.

The Calculator has three tabs for each fiscal year:

5. SFY 22-23 Amounts

6. SFY 22-23 Exc & Adj

7. SFY 22-23 Summary

The “Amount” tab is like the previous versions, with some modifications that we have made to ensure consistency in reporting MOE expenditures. This worksheet will also capture Child Count and the percentage of local funds from a fiscal data worksheet on a new tab called “SFY __ State and Local Data.”

5. SFY 22-23 Amounts

6. SFY 22-23 Exc & Adj

7. SFY 22-23 Summary

SFY 22-23 State and Local Data

Amounts Tab (Red)-eligibility on the left and compliance on the right

Like the OSES Excess Cost Calculator, the light blue cells indicate where a district can add data.



Why use this methodology?

- Consistency
- Auditable
- Stakeholder input
- Impacts districts differently—please call!



Summary

- Questions
- Comments
- Reminder: MOE Webinar November 16, 2023

