

Maintenance of Effort

The expectation of MOE is that the LEA will contribute at least the same level of state and local funding toward special education from year to year. There are two different methods that an LEA can use if a change in the MOE level is required.

1. Exception (300.204)

There are 5 different exceptions to the MOE requirement. If an LEA has a substantial change in their ongoing obligation to students, then one of these exceptions usually applies. Because the change is ongoing, the exception cannot simply be a “waiver” of the MOE requirement. When an LEA requests to apply one of these exceptions, there must be sufficient evidence that the MOE Review Committee can determine the amount of funding that will be expected for MOE in future years. The MOE Review Committee will establish a new MOE target for the LEA.

Exceptions:

1. Termination (voluntary or for cause) of special education or related services staff. (§300.204(a)).
2. Reduction in enrollment. (§300.204(b)).
3. Termination of the requirement for FAPE because the student moved, exited, or aged out. (§300.204(c))
4. Completion of a long-term project such as construction. (§300.204(d))
5. Services for a costly student are assumed by the high cost risk pool. (§300.204(e))

2. Adjustment (300.205)

In years when the LEA receives more IDEA funding than the previous year, the LEA may request an adjustment of MOE. This adjustment means that the LEA can spend up to 50% of the increase in funding on other educational needs (not special education).

Year 1 (2018-19)	state & local expenditures = \$100,000 IDEA allocation = \$50,000
Year 2 (2019-10)	state & local expenditures = \$75,000 IDEA allocation = \$100,000
Year 3 (2020-21)	state & local expenditures MOE target = \$75,000 IDEA allocation = \$50,000

In this example, the LEA did not meet MOE in Year 2, and applies for the adjustment. With approval, the LEA can use up to \$25,000 of Year 2 funding for other purposes (such as hiring general education teachers). Conceptually, think of this as reducing Year 1 by \$25,000 so you can maintain that level in Year 2.

Year 1 (2018-19)	state & local expenditures = \$100,000 \$75,000 IDEA allocation = \$50,000
------------------	--

Year 2 (2019-20) state & local expenditures = \$75,000
IDEA allocation = \$100,000

Year 3 (2020-21) state & local expenditures MOE target = \$75,000
IDEA allocation = \$50,000

Another way to approach this would be to add \$25,000 to your Year 2 amount so that the LEA demonstrates maintenance of effort. Conceptually, you will count the funding used in general education programs as if it was spent in special education programs. In this approach, the LEA will be expected to match the Year 1 funding level again in Year 3.

Year 1 (2018-19) state & local expenditures = \$100,000
IDEA allocation = \$50,000

Year 2 (2019-20) state & local expenditures = ~~\$75,000~~ \$100,000
IDEA allocation = \$100,000

Year 3 (2020-21) state & local expenditures MOE target = ~~\$75,000~~ \$100,000
IDEA allocation = \$50,000

Let's look at another example to see why this adjustment may be helpful even if the LEA has met the MOE requirements.

Year 1 (2018-19) state & local expenditures = \$100,000
IDEA allocation = \$50,000

Year 2 (2019-20) state & local expenditures = \$100,000
IDEA allocation = \$100,000

Year 3 (2020-21) state & local expenditures MOE target = \$100,000
IDEA allocation = \$50,000

If this LEA applies for the adjustment due to the increase in federal funding, they can reduce the expected contribution of state & local funds toward special education. Through this adjustment, the LEA can reduce the amount of funding spent in Year 2 on special education programs.

Year 1 (2018-19) state & local expenditures = \$100,000
IDEA allocation = \$50,000

Year 2 (2019-20) state & local expenditures = ~~\$100,000~~ \$75,000
IDEA allocation = \$100,000

Year 3 (2020-21) state & local expenditures MOE target = ~~\$100,000~~ \$75,000
IDEA allocation = \$50,000

These different approaches to the adjustment are all viable within the regulation. Using the right application at the right time is critical.