



## LEA MOE

Four Methods: Using Local Funds

CIFR and IDC in collaboration  
with NCSI Fiscal Team.



# Four Methods to Meet MOE



State and  
Local Total

State and  
Local Per Pupil

Local Only

Local Only Per  
Pupil

# CIFR LEA MOE Data Review



## GAO Report October 2015

- [Special Education: More Flexible Spending Requirement Could Mitigate Unintended Consequences While Protecting Services](#)

## CIFR State Interviews

## OSEP Fiscal Monitoring Letters

# GAO Report (2015)



- Less than 1% of LEAs failed MOE compliance in 2012-2013
- Responses from LEAs surveyed are consistent with responses from SEAs – similar concerns and rates of compliance noted
- In 38 SEAs, at least half of LEAs meet MOE compliance without exceptions or adjustments
- Most commonly used exception is personnel

## A Disconnect?

- 35 SEAs report using “local only and local only per capita” as two of the methods
- 19 SEAs report they do not routinely use all four calculations
- Greatest challenge reported in meeting MOE is a reduction in state funds

# CIFR State Interviews

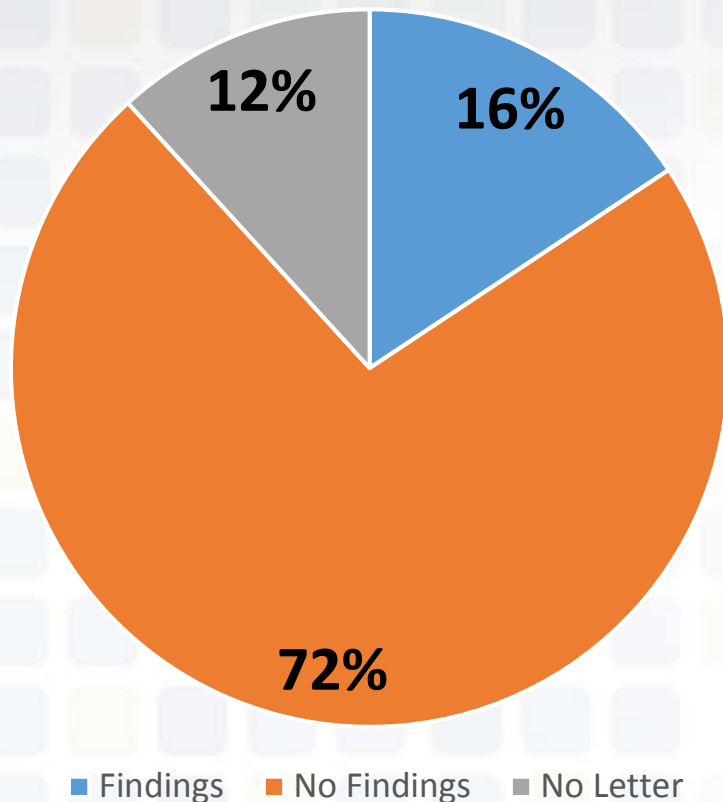
- 43 States (Including DC) participated in the interview
- 33 States report allowing all four methods
- State funds to LEAs in 14 States are not restricted to special education
- 6 States report that LEAs cannot readily isolate the use of local funds
- 5 States provide reimbursement as a percentage of special education expenditure, complicating the ability to provide assurance of the level of state effort.

# OSEP Fiscal Monitoring

## Criterion 4.4

**The SEA's procedures for reviewing LEA MOE consider each of the following ways to calculate MOE: total local funds; per capita local funds; total local and State funds; or per capita local and State funds. The SEA's procedures for reviewing LEA MOE find an LEA to have met MOE if the LEA met MOE based on one or more of those comparisons. (34 CFR §300.203(b))**

# OSEP Fiscal Monitoring Chart



**37 States had no findings of noncompliance in allowing all four methods**

**8 States had findings of noncompliance in allowing all four methods**

**6 States have not shared letters with CIFR**



# State Approaches to Local Methods

- LEA reports local budget and expenditure to the state
- LEA can use internal budget and expenditure data to meet using local
- LEA does not collect local funds and therefore may not have access to the local only options
- State may engage in equalization process from funds that begin as local (i.e. Property tax) but end as state

# Michigan

# Arizona

# Discussion

# Contact Us



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