Presenters:

Todd Harrigan
New York Department of Education
Todd.harrigan@nysed.org

Barbara McGowen
Finance & Data Coordinator
Maine Department of Education
Barbara.a.mcgowen@maine.gov
Expectations for this Session

Overview of Key Differences

- Why is clarification needed?
- CIFR and NCSI Resource

New York Comments

Maine Comments

?? Questions ??

Develop and Rehearse your “Elevator Speeches”
Why do we need this clarification?

Common questions from local educational agencies (LEAs) and state educational agencies (SEAs):

• If an LEA meets the excess cost requirement, does it meet the LEA maintenance of effort (MOE) requirement?

• If an LEA meets the LEA MOE requirement, does it meet the excess cost requirement?

• Aren’t these both about the same thing? Making sure LEAs spend enough money? Why do we need two tests?
Key Differences Between IDEA LEA MOE and Excess Cost Requirements Document

Sara Doutre, CIFR
Anne Louise Thompson, NCSI-FST
Resource Location

Key Differences Between IDEA Local Educational Agency Maintenance of Effort and Excess Cost Requirements

CIFR Website → Resource Catalog → LEA MOE

Local Educational Agency (LEA) Maintenance of Effort (MOE) Organizer

CIFR's online LEA MOE Organizer is designed to provide SEA and LEA users with a comprehensive overview of LEA MOE federal regulations and resources to support understanding and implementation. Users can easily navigate the graphical interface for information and relevant tools and resources from technical centers and OSEP on topics such as:

- Eligibility (budget) and compliance (expenditure) standards
- Calculating exceptions and adjustments
- Calculating LEA MOE using any of the four methods
- Freed-up funds
- Federal reporting requirements

Key Differences between IDEA Local Educational Agency Maintenance of Effort and Excess Cost Requirements

IDEA contains two separate requirements to ensure that local educational agencies are funding special education programs sufficiently: maintenance of effort and excess cost. While the requirements have similarities, they are calculated differently. This document developed by CIFR and the National Center for Systemic Improvement (NCSI) describes key differences between the two requirements.
The purpose is to describe key differences between the requirements and the methods for calculating compliance with each separate requirement.

One calculation cannot be used to satisfy both the LEA MOE and excess cost requirements. An LEA might meet one requirement, but not the other.
Summary Graphic

- Illustrates key differences.
- Intended to be used together with the table.
  - Table has additional detail and regulatory citations.
- May be useful for providing clarification to stakeholders, including LEAs.
Key Take-Away

• While these requirements have some similarities, they are separate requirements requiring separate calculations.

LEA MOE

An LEA must maintain at least the same amount of local, or state and local, funds it spends for the education of children with disabilities as it spent in the preceding fiscal year.

Excess Cost

An LEA must ensure that IDEA Part B funds are used only for expenses above and beyond what is spent on average on an elementary or secondary school student.
LEA MOE is concerned with spending on the education of children with disabilities from year to year.

Excess cost is concerned with equity and ensuring that the same average amount is spent on children with disabilities from sources other than IDEA Part B, as is spent on children in the school district taken as a whole.
Timeline Clarification

Excess Cost

• The regulations state that non-IDEA funds must be expended BEFORE spending IDEA funds.

• OSEP has clarified that, as long as the non-IDEA funds are expended by the end of the fiscal year, IDEA funds may be expended concurrently.
LEA MOE considers only local, or state and local, funds, not federal.

Excess cost considers all non-IDEA funds (including other federal funds, e.g., Federal Impact Aid) when calculating actual spending.
Funds used in the Excess Cost Calculation

The following funds are used to establish the average annual per student [pupil] expenditure (APPE) minimum threshold:

• All federal funds expended for education related purposes
  • Includes Quality Teacher grants, Technology Education grants, Impact Aid funds, etc.
• All state and local funds expended for education-related purposes
The following funds must be subtracted when determining the average APPE minimum threshold:

- Federal funds received for IDEA Part B and Titles IA, IIIA, and IIIB of the Elementary and Secondary Education Act (ESEA), reauthorized by the Every Student Succeeds Act (ESSA) on December 10, 2015
- State and local funds used for special education of children with disabilities (see 34 CFR §§300.16) and Titles IA, IIIA, and IIIB of ESEA as amended by ESSA
- Capital outlay and debt service
LEA MOE compares total amounts budgeted and spent for children with disabilities.

Excess cost calculates the minimum amount of spending required and compares this to actual spending.

Average Per-Pupil Expenditure

Average Spending on a Student with a Disability

Which amounts?
Exceptions or Adjustments: LEA MOE

- Yes.

- Five allowable exceptions under 34 CFR §300.204.

- An LEA may also be able to reduce its level of effort when its IDEA Part B allocation is increased under 34 CFR §300.205.
Exceptions or Adjustments: Excess Cost

• Yes.

• An LEA may use IDEA funds to pay for all of the costs directly attributable to the education of a child with a disability ages 3, 4, 5, 18, 19, 20, or 21 if no local or state funds are available for non-disabled children of these ages.

• Non-supplanting and other requirements of Part B still apply. See 34 CFR §300.202(b)(ii).
LEA MOE calculation includes all grade levels.

Excess cost calculates elementary and secondary schools separately.
Calculation Methods: LEA MOE

• Each year, an LEA may use one of four methods (local total, local per capita, state and local total, or state and local per capita) to demonstrate that it has budgeted, and then expended, at least the same amount as the LEA spent in the most recent year it met the LEA MOE requirements using that same method.

• An LEA may change the method from year to year as long as the two years being compared use the same method of calculation.
Calculation Methods: Excess Cost

1. Determine the expenditures made in the reference school year (e.g., 2014–15) and divide by total enrollment, separately for elementary and secondary levels, to obtain APPE.

2. Determine the minimum amount to be spent in the current school year (e.g., 2015–16) by multiplying the APPE from (1) by the count of children with disabilities in the current school year.

3. At the end of the current school year (e.g., 2015–16), determine the amount that was actually expended in non-IDEA funds on the education of children with disabilities.

If (3) is greater than or equal to (2), compared separately for elementary and secondary levels, the LEA met the excess cost requirement for the current school year.
New York Comments

Todd Harrigan

New York State Education Department
New York Learnings on LEA MOE and Excess Cost

- Keeping the requirements separate in the development and dissemination of procedures
- Developing calculation methods independent of each other
- Implications of calculating Excess Cost at the LEA level
Maine Learnings on LEA MOE and Excess Cost

- Support to LEAs to clarify differences
- Implications of calculating Excess Cost at the LEA level
????? Questions ????
Elevator Speeches
Elevator Speeches

Purpose is to explain:

• What is LEA MOE?
• What is Excess Cost?
• What is the difference between LEA MOE and Excess Cost?
• If an LEA meets one, why does it have to meet the other?

Expectations:

• 60 seconds (use a timer!)
• Stakeholder-friendly language (who is your audience?)
Please complete a session evaluation form before leaving.

Your input is important in helping us develop meaningful content for states.

Thank you!
Contact Us

Website: http://www.maine.gov/doe/
Email: Barbara.a.mcgowen@maine.gov
Tel: 207.624.6645
Contact Us

New York State
EDUCATION DEPARTMENT
Knowledge › Skill › Opportunity

Website: http://www.nysed.gov/
Email: todd.harrigan@nysed.gov
Tel: 518.474.2928
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Contact Us

Web: http://cifr.wested.org/
Email: cifr_info@wested.org
Tel: 855.865.7323
Twitter: @CIFR_IDEA

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