



LEA MOE and State-Level Procedures: Covering the Critical Components

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Session Objectives



Participants will learn about:

- Local educational agency maintenance of effort (LEA MOE) requirements
- Components other states have included in state-level procedures for LEA MOE
- Questions to consider for comprehensive LEA MOE procedures

What is LEA MOE?

LEA MOE: Why is it Required?



LEA MOE ensures that LEAs:

- do not reduce the amount of local, or state and local, funding for the education of children with disabilities.
- do not replace that local, or state and local, funding with federal funds.

What does LEA MOE Mean?



LEA MOE means that the LEA:

- budgets each year, for the education of children with disabilities, at least as much as it expended in the most recent prior year for which information is available (and in which it met MOE); and
- expends each year, for the education of children with disabilities, at least as much as it expended in the preceding fiscal year.

Overview of the LEA MOE Regulations



§300.203 Maintenance of Effort

- Eligibility Standard
- Compliance Standard
- Consequences of Failure

§300.204 Exception to maintenance of effort

§300.205 Adjustment to local fiscal efforts in certain fiscal years

Eligibility Standard: 34 CFR §300.203(a)(1)

For purposes of establishing the LEA's eligibility for an award for a fiscal year, the SEA must determine that the LEA budgets, for the education of children with disabilities, at least the same amount, from at least one of the following sources, as the LEA spent for that purpose from the same source for the most recent fiscal year for which information is available:

(i) Local funds only; (ii) The combination of State and local funds; (iii) Local funds only on a per capita basis; or (iv) The combination of State and local funds on a per capita basis.

Compliance Standard: 34 CFR §300.203(b)(1)



Except as provided in 34 CFR §§ 300.204 and 300.205, funds provided to an LEA under Part B of the Act must not be used to reduce the level of expenditures for the education of children with disabilities made by the LEA from local funds below the level of those expenditures for the preceding fiscal year.

Methods for Calculating LEA MOE: 34 CFR §300.203 (a)(1) and (b)(2)



- Total amount of local funds
- Total amount of state and local funds
- Per capita amount of local funds
- Per capita amount of state and local funds

Exception to Maintenance of Effort: 34 CFR §300.204



- Departure of special education/related services staff, for just cause
- Decrease in enrollment of children with disabilities
- Termination of costly program for a particular child with a disability
- Termination of costly long term expenditure
- SEA assumes cost using high cost fund as defined by IDEA §300.704(c)

Adjustment to local fiscal effort in certain fiscal years: 34 CFR §300.205



“...for any fiscal year for which the allocation received by an LEA under section 300.705 exceeds the amount the LEA received for the previous fiscal year, the LEA may reduce the level of expenditures otherwise required by section 300.203(a) by not more than 50% of the amount of that excess....”

LEA MOE Adjustment and CEIS: 34 CFR §300.205(d)



Special rule. The amount of funds expended by an LEA for early intervening services under §300.226 shall count toward the maximum amount of expenditures that the LEA may reduce under paragraph (a) of this section.

Consequences of Failing to Meet LEA MOE: 34 CFR §300.203(d)



State must repay the federal government the amount of money by which the LEA failed to maintain effort.

State has option to require the LEA to repay the state the amount of money by which the LEA failed to maintain effort.

Payback (in either case) must be made from non-federal funds or funds for which accountability to the federal government is not required.

Developing Policies and Procedures

Recommended Components

1. Overview and Purpose of State-Level Procedures
2. LEA MOE Timelines
3. Four Methods for Calculating LEA MOE
4. LEA MOE Eligibility Standard
5. LEA MOE Compliance Standard
6. Allowable LEA MOE Exceptions
7. Adjustment to LEA MOE
8. Failure to Meet LEA MOE Compliance Standard
9. LEA MOE Data Reporting Procedures
10. Process for Training and Communicating with LEAs

What prompted you to develop, review, or update your LEA MOE procedures?



1. Purpose of State-Level Procedures



What, if any, state regulations are related to LEA MOE?

How does the Office of Management and Budget (OMB) Uniform Grant Guidance apply to LEA MOE?

What entities must comply with LEA MOE within your state?

2. LEA MOE Timelines

Did your review reveal problems with your state timeline for collecting, validating, and reporting MOE data? How?

Resources

- CIFR IDEA MOE Regulations Crosswalk
- CIFR Implementation Considerations

3. Four Methods for Calculating LEA MOE



Are the calculations for LEA MOE done by the SEA or LEA?

Which budget lines or expenditures are included in the LEA MOE calculation?

Can the LEAs in the state distinguish between local-funded and state-funded expenditures?

How may an LEA change methods?

Resources

- OSEP Guidance – Section A
- Letters to Kennedy, Copenhaver, and White

4. LEA MOE Eligibility Standard

When does your agency collect the information needed to determine that an LEA met the eligibility standard?

How does your agency determine the comparison year for eligibility?

What is your process when an LEA does not meet the eligibility standard?

Resources

- OSEP Guidance – Sections B&C
- CIFR LEA MOE Calculator
- Video: LEA MOE: Mechanics of the Revised Regulations:
- Letter to a Chief State School Officer (2014)
- Letter to Anonymous

5. LEA MOE Compliance Standard



How does your agency determine whether an LEA has met the standard?

How does your agency determine the comparison year for the compliance standard when the last year met by that method is not the preceding fiscal year?

When does your agency collect the information needed to determine that an LEA met the compliance standard?

6. Allowable LEA MOE Exceptions



What documentation does your agency require from LEAs for each exception?

- Reduction in staff
- Decrease in enrollment
- Costly program
- Costly long term expenditure
- High cost fund

7. Adjustment to LEA MOE

What is the SEA's process for monitoring use of the LEA MOE adjustment?

How does the SEA notify each LEA that it is eligible or not eligible to use the LEA MOE adjustment?

What is the process for LEAs to report to the SEA that they have utilized the LEA MOE adjustment?

Resources

- MOE Reduction Eligibility Decision Tree and Worksheet
- Letter to Michelson and Mayes

8. Failure to meet LEA MOE Compliance

What is the SEA's process for notifying an LEA that the LEA has failed to meet the compliance standard by any of the four methods?

What is the SEA's process for determining the amount of funds that the SEA must submit to the U.S. Department of Education when an LEA fails LEA MOE?

Resources

- OSEP Guidance – Section E
- CIFR LEA MOE Calculator
- Letter to Baglin

9. LEA MOE Data Reporting Procedures



Who in the SEA is responsible for reporting data to ED*Facts* Metadata and Process System (EMAPS)?

Where are the required LEA MOE data elements stored at the SEA, when are the data collected?

What is your process for reviewing warnings?

Resources

- EMAPS IDEA Part B MOE Reduction and Coordinated Early Intervening Services (CEIS) – User Guide
- Data Notes Practice Guide
- 618 Data Pre-submission Edit Check Tool – Part B MOE and CEIS

10. Process for Training and Communicating with LEAs

Is there a specific SEA contact for LEA MOE that all LEAs can contact?

What, if any, standard LEA MOE calculation and data collection tools does the SEA provide to the LEAs?

Lessons Learned



Recommendations for other states who are reviewing or updating procedures.

Resources



All resources noted in the presentation can be found on the **LEA MOE Organizer**:

- <https://cifr.wested.org/resources/lea-moe/organizer/>

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