



LEA MOE Adjustment Due to an Increased IDEA Allocation and the Use of Freed-up Funds

October 1, 2021



Agenda

- **Looking Ahead with the Fiscal Timeline Tool**
- **LEA MOE Adjustment Review**
- **Freed-up Funds**
- **State Discussion**
- **Technical Assistance Resources**

Plan Your Work with CIFR's Customizable Fiscal Timeline Tool

Download the IDEA Fiscal Timeline!

<https://cifr.wested.org/resource/idea-fiscal-timeline/>

October/November/December

- Allocation of Subgrants
- Excess Cost
- LEA MOE
- IDEA State Grants
- Proportionate Share
- Risk Management - LEA

CIFR Presenters



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LEA MOE Adjustment Review

LEA MOE Eligibility Standard

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

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.

LEA MOE Compliance Standard

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

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.

LEA MOE Calculation Methods

LEAs may meet the MOE requirement using at least one of the four methods:

- Total local funds
- Total state and local funds
- Local funds per capita
- State and local funds per capita

LEA MOE Exceptions

Under 34 CFR §300.204, an LEA may reduce the level of expenditures for the education of children with disabilities below the level of those expenditures for the preceding fiscal year (for the compliance standard) and below the level of those expenditures for the most recent fiscal year for which information is available (for the eligibility standard), if the reduction is attributable to any of the five allowable exceptions.

Five Allowable LEA MOE Exceptions

- Voluntary departure, by retirement or otherwise, or departure for just cause of special education or related services personnel.
- Decrease in the enrollment of children with disabilities.
- Termination of an exceptionally costly obligation to a particular child with a disability because the child
 - has left the jurisdiction of the administrative unit,
 - has reached the age at which the obligation to provide FAPE to the child is terminated, or
 - no longer needs the program of special education.
- Termination of costly expenditures for long-term purchases, such as the acquisition of equipment or the construction of school facilities.
- The assumption of cost by the high-cost fund operated by the SEA, which means that the state uses federal dollars from the high-cost fund under 34 CFR §300.704(c) to assume a portion of the LEA's cost for a high-need child.

LEA MOE Adjustment

Under 34 CFR §300.205, for any fiscal year for which an LEA's IDEA section 611 allocation exceeds the amount the LEA received for the previous fiscal year, the LEA may reduce the level of expenditures for the education of children with disabilities otherwise required by 34 CFR §300.203(b) by not more than 50 percent of the amount of that excess.

What criteria determine whether an LEA may use the LEA MOE adjustment?

- LEAs may meet the MOE requirement using at least one of the four methods:
- LEA's Section 611 federal allocation for the current fiscal year is greater than its allocation for the previous fiscal year
- LEA "met requirements" in the SEA's most recent determinations
- SEA has not taken responsibility for providing free appropriate public education for eligible children with disabilities in the LEA or taken action against the LEA under Section 616 of IDEA
- LEA is not required to reserve the maximum 15 percent of its IDEA Part B allocation on CCEIS due to significant disproportionality under 34 CFR §300.646

ARP IDEA Funds and LEA MOE Adjustment: OSEP Updates

- The additional IDEA funds that have been appropriated through ARP are considered IDEA federal grants used for the same purpose and subject to the same requirements as other regular IDEA allocation
- The supplementary IDEA ARP Act funds may allow for an adjustment under 34 CFR §300.205

How do you calculate the LEA MOE adjustment?

Table 1

FFY 2021 IDEA Part B Section 611 allocation	\$1,000,000
FFY 2022 IDEA Part B Section 611 allocation:	\$1,400,000
Increase in IDEA Part B Section 611 Allocation (FFY 2022 amount – FFY 2021 amount):	\$400,000
Amount by which the LEA may reduce its level of effort using the LEA MOE adjustment (\$400,000 x 50%):	\$200,000

LEA MOE Adjustment Conditions

- Freed-up funds must be spent on activities allowable under ESEA and SEAs should monitor and track those funds
- Funds expended for voluntary CEIS reduce the maximum amount that may be reduced
- LEAs required to spend IDEA funds for comprehensive CEIS are not eligible for the LEA MOE adjustment

How do you calculate LEA MOE adjustment with voluntary CEIS?

Table 2	
FFY 2021 IDEA Part B Section 611 allocation	\$1,000,000
FFY 2022 IDEA Part B Section 611 allocation:	\$1,400,000
Increase in IDEA Part B Section 611 allocation (FFY 2022 amount – FFY 2021 amount):	\$400,000
Amount by which the LEA may reduce its level of effort using the LEA MOE adjustment (\$400,000 x 50%):	\$200,000
FFY 2022 IDEA Part B 619 allocation	\$500,000
Amount by which the LEA may reserve for voluntary CEIS	\$285,000
Amount available for LEA MOE adjustment and voluntary CEIS	\$200,000 (lesser of the two amounts)

How is your state system set up to determine LEA eligibility for the LEA MOE adjustment?

What process does your state use to calculate and verify the LEA MOE adjustment amounts?

What questions do you get from LEAs about the adjustment calculation?

What is your process to ensure that eligible LEAs do not exceed the maximum available for the LEA MOE adjustment?

Use of Freed-up Funds

What are Freed-up Funds?

34 CFR §300.205 (b) Use of Amounts to Carry Out Activities under ESEA

If an LEA exercises the authority under paragraph (a) of this section, the LEA must use an amount of local funds equal to the reduction in expenditures under paragraph (a) of this section to carry out activities that could be supported with funds under the ESEA regardless of whether the LEA is using funds under the ESEA for those activities.

What are examples of activities that could be supported with freed-up funds?

- Title I, Part A – Improving Basic Programs Operated by LEAs
- Title I, Part C – Education of Migratory Children
- Title II – Preparing, Training, and Recruiting High-Quality Teachers, Principals, or other School Leaders
- Title III – Language Instruction for English Learners and Immigrant Students
- Title IV, Part A – Student Support and Academic Enrichment Grants

What are examples of activities that LEAs in your state support or may support with freed-up funds?

What type of guidance do you provide to LEAs regarding authorized activities to use freed-up funds?

How should an LEA track the use of freed-up funds?

- IDEA does not include a data collection or reporting requirement
- LEAs should retain documentation such as expenditures report
- Report should document use of amount equal to the LEA MOE adjustment
- SEA may require a specific report detailing the use of freed-up funds

How does your state advise LEAs to track the use of freed-up funds? Or how is your state planning to advise them?

How can the SEA monitor the use of freed-up funds?

- Verify that the amount is no greater than 50 percent of LEA's Section 611 allocation increase
- Require an assurance from the LEA
- Request a plan describing the intended or the actual use of the freed-up funds
- Request documentation from the LEA on the actual expenditure of the freed-up funds

How does your state monitor LEA use of free-up funds? Or how will your state monitor LEA use of freed-up funds?

SEA Considerations

- Do your LEAs understand the eligibility criteria for using the LEA MOE adjustment?
- Do your LEAs understand that IDEA allows for an LEA MOE reduction when there is an increase to the LEA's IDEA allocation?
- Do your LEAs understand that the flexibility is only related to the IDEA Part B Section 611 allocation increase?
- What procedures or systems could SEAs or LEAs put in place to track freed-up funds?

LEA MOE Adjustment Resources

[Every Student Succeeds Act \(ESSA\)](#)

[Local Educational Agency \(LEA\) Maintenance of Effort \(MOE\) Organizer](#)

[Maintenance of Effort and Early Intervening Services - 34 CFR 300 Appendix D](#)

[Quick Reference Guide on IDEA Local Educational Agency Maintenance of Effort](#)

[Understanding Local Educational Agency Maintenance of Effort Training](#)

2022 Webinar Dates

Each webinar in this series will be held from 3 - 4 PM ET:

- January 12
- April 6
- July 13
- October 5

Registration will be required to get the link for each webinar

Contact Us



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