

Appendix G

Maintenance of Effort Policy

**SOUTH EAST SPECIAL EDUCATION LOCAL PLAN AREA
MAINTENANCE OF EFFORT (MOE) POLICY**

The South East Special Education Local Plan Area (SELPA) shall meet maintenance of effort (MOE) regulations requiring that federal funds be used only to pay the excess costs of providing special education and related services to children with disabilities and to supplement and not supplant state and local funds for special education (ref: 34 *Code of Federal Regulations (CFR)*, sections 300.203-300.205).

The SELPA Administrative Unit (AU), as the grantee of federal funds from the California Department of Education (CDE), shall distribute all or part of the federal funds received to participating local education agencies (LEA) within the SELPA through a sub-granting process and shall annually conduct and report to the CDE the required MOE information. For the purposes of maintenance of effort, the SELPA AU is the recipient of the federal funds from CDE and is, in turn, a grantor of all or part of those funds as sub-grants to participating LEAs. The LEAs within the South East SELPA shall compile and submit budget and expenditure information, including LMC-A and LMC-B reports. The two required comparison tests are as follows:

First Comparison Eligibility Requirement – Grant-Year Budget to Prior Actual Expenditures (LMC-B)

- Each LEA will submit to the SELPA the required MOE documentation each year.
- Budgeted local or state and local expenditures must equal or exceed prior year expenditures for each LEA and for the SELPA, as a whole, subject to the federal Subsequent Years rule.
- SELPA must ensure LEA meets the eligibility comparison test before the allocations of Part B funds are made to the LEAs.

Section 1 – Each year, LEAs should record any of the exceptions listed below:

These items will reduce the amount required to meet MOE:

- The voluntary departure, by retirement or otherwise or departure for just cause, of special education or related service personnel
- A decrease in the enrollment of children with disabilities
- The termination of the obligation of the agency to provide a program of special education to a particular child with a disability that is an exceptionally costly program because the child:
 - a) Has left the jurisdiction of the agency
 - b) Has reached the age at which the obligation of the agency to provide FAPE to the child has terminated; or
 - c) No longer needs the program of special education
- The termination of costly expenditures for long-term purchases, such as the acquisition of equipment or the construction of school facilities

Section 2 – LEAs that received a “⁹⁰” requirement” compliance determination

from CDE and have not been found to be significantly disproportionate may also reduce their MOE requirement. Under these conditions the LEA may reduce the level of local or state and local expenditures otherwise required by the LEA MOE requirement by calculating 50 percent of the increase in federal subgrant allocation received for the current fiscal year compared to the prior fiscal year and reducing the LEA's state and local MOE requirement by that amount.

Please note: The LEA must use an amount of local funds equal to the reduction in expenditures to carry out activities that could be supported with funds under the Elementary and Secondary Education Act (ESEA) of 1965. **This amount includes any activities under Title 1, Impact Aid, and other ESEA programs.**

- The amount of funds expended by an LEA for early intervening services under 34 *CFR*, Section 300.226 shall count toward the maximum amount of expenditures that the LEA may reduce under this section.

Section 3 – Four MOE Test Methods to Maintain Effort

Either local or state and local funding sources are used for comparison at the SELPA level as well as for each individual LEA. In addition, the comparison may be per capita (per child with a disability, unless some other basis is permitted by the SEA for determining “per capita”). The four methods to maintain effort are:

1. The combination of state and local funds
2. Local funds only
3. The combination of state and local funds on a per capita basis
4. Local funds only on a per capita basis

If the SELPA as a whole passes the first comparison (budget vs. actual), the SELPA as a whole is eligible to receive Part B funding.

Consequences for Failure to Maintain Effort

If the SELPA fails the first comparison test (budget vs. actual), the SELPA as a whole and all of its participating members will be ineligible to receive Part B funding until budgetary revisions are made to enable the SELPA as a whole to meet MOE requirements.

If the SELPA as a whole passes the first comparison test (budget vs. actual) but one or more individual LEA sub-grant recipients fails the first comparison test, the LEA shall have until the first principal apportionment (better known as P-1 certification) occurs to comply with MOE requirements. The P-1 certification is the first time the current year expenditure data is available. If an LEA has not rectified the problem by the date that P-1 certification is made, the SELPA will notify the CDE. The SELPA will provide the CDE with the LEA's IDEA subgrant amounts. The CDE will reduce the SELPA's grant awards by the amount of the LEAs subgrant amount.

When an LEA fails to meet the MOE test in one year, the LEA is required in subsequent fiscal years to maintain effort at the level prior to the failure. Thus, the LEA must calculate its level of effort on the most recent fiscal year in which the MOE test was met.

Second Comparison Compliance Requirement – Prior-Year Actuals vs. Second-Prior Year Actuals or the most recent year LEA met using the method (LMC-A)

- Actual local or state and local expenditures must equal or exceed prior-year expenditures, subject to the federal Subsequent Years rule.
- SELPA comparison is made after unaudited actuals data is submitted to CDE following the end of the fiscal year
- The comparison will occur annually

Section 1 - Each year LEAs should record any of the exceptions listed below:

These items will reduce the amount required to meet MOE:

- The voluntary departure, by retirement or otherwise, or departure for just cause, of special education or related service personnel
- A decrease in the enrollment of children with disabilities
- The termination of the obligation of the agency to provide a program of special education to a particular child with disabilities that is an exceptionally costly program because the child:
 - a) Has left the jurisdiction of the agency
 - b) Has reached the age at which the obligation of the agency to provide FAPE to the child has terminated; or
 - c) No longer needs the program of special education
- The termination of costly expenditures for long-term purchases, such as the acquisition of equipment or the construction of school facilities

Section 2 – LEAs that received a “meets requirement” compliance determination from CDE and have not been found to be significantly disproportionate may also reduce their MOE requirement. Under these conditions the LEA may reduce the level of local or state and local expenditures otherwise required by the LEA MOE requirement by calculating 50 percent of the increase in federal subgrant allocation received for the current fiscal year compared to the prior fiscal year and reducing the LEA’s state and local MOE requirement by that amount.

Please note: The LEA must use an amount of local funds equal to the reduction in expenditures to carry out activities that could be supported with funds under the Elementary and Secondary Education Act (ESEA) of 1965. **This amount includes any activities under Title 1, Impact Aid, and other ESEA programs.**

- The amount of funds expended by an LEA for early intervening services under 34 CFR, section 300.226 shall count toward the

maximum amount of expenditures that the LEA may reduce under this section.

Section 3 – Four MOE Test Methods to Maintain Effort

Either local or state and local funding sources are used for comparison at the SELPA level as well as for each individual LEA. In addition, the comparison may be per capita (per child with a disability, unless some other basis is permitted by the SEA for determining “per capita”). The four methods to maintain effort are:

1. the combination of state and local funds
2. local funds only
3. the combination of state and local funds on a per capita basis
4. local funds only on a per capita basis

Consequences for Failure to Maintain Effort

If the SELPA as a whole fails the second comparison test (actual vs. actual) after applying the exceptions, the SELPA will be billed by the CDE for the amount the SELPA, collectively, failed to spend from local or state and local funds to maintain its level of effort. The SELPA AU will then bill the individual LEA sub-grant recipients that failed the MOE second comparison test for the amount the LEA(s) failed to spend from local or state and local funds to maintain their level of effort.

If the SELPA as a whole passes the second comparison (actual vs. actual) but one or more individual LEA sub-grant recipients fail to spend from local or state and local funds to maintain their level of effort, CDE will bill the SELPA for the amount that the LEA failed to spend from local or state and local funds to maintain its level of effort. The amount must be paid to CDE by the LEA from its state and/or local funding in the budget year.

When an LEA fails to meet the MOE test in one year, the LEA is required in subsequent fiscal years to maintain effort at the level prior to the failure. Thus, the LEA must calculate its level of effort on the most recent fiscal year in which the MOE test was met.

For the purposes of maintenance of effort, the SELPA AU is the recipient of the federal funds from CDE and is, in turn, a grantor of all or part of those funds as sub-grants to participating LEAs.

EXEMPT REDUCTIONS TO MAINTENANCE OF EFFORT

IDEA Regulations 34 Code of Federal Regulations § 300.204

Local Education Agency (LEA) Name		Special Education Local Plan Area (SELPA)	
Name of Person Completing Report		Telephone & Fax Numbers	
Maintenance of Effort (MOE) Shortfall from LEA MOE Calculation (LMC-A or LMC-B) Worksheet	\$0.00	FY xxxx/xxxx	
<p><i>The LEA may reduce the level of expenditures below the level of the preceding fiscal year if the reduction is attributable to any of the following reasons. Provide specific details and dollar amounts. If the total justifications equal/exceed the MOE shortfall, fiscal effort has been maintained for the reporting year.</i></p>			
<p>1. The voluntary departure, by retirement or otherwise, or departure for just cause, of certificated and/or classified special education or related services personnel (does not include contract non-renewal or staff lay-off due to budget shortfall).</p> <p>ENTER INFORMATION on the <i>detail reduction 1</i> tab; totals will carry forward to this section</p>		\$0.00	
<p>2. A decrease in enrollment of children with disabilities.</p> <p>ENTER INFORMATION on the <i>detail reduction 2</i> tab; totals will carry forward to this section</p>		\$0.00	
<p>3. The termination of the obligation to provide a program of special education to a particular child with a disability that is an exceptionally costly program because:</p> <p style="margin-left: 20px;">A. <i>Child has left the jurisdiction of the agency; OR</i> B. <i>Child has reached the age at which the obligation of the agency to provide free appropriate public education (FAPE) to the child has</i> C. <i>No longer needs the program of special education</i></p> <p>ENTER INFORMATION on the <i>detail reduction 3</i> tab; totals will carry forward to this section</p>		\$0.00	
<p>4. The termination of costly expenditures for long-term purchases, such as the acquisition of equipment or the construction of school facilities (must have per unit cost of \$5,000 or more).</p> <p>ENTER INFORMATION on the <i>detail reduction 4</i> tab; totals will carry forward to this section</p>		\$0.00	
TOTAL ALLOWABLE EXEMPTIONS TO MOE		\$0.00	
<p>(must equal amount of total exemption reductions entered in Section 1 of the LMC-A or LMC-B)</p>			
<i>CDE Use Only</i>			
California Department of Education, Special Education Division, April 23, 2015			

Local Education Agency (LEA) Name	0	Special Education Local Plan Area (SELPA)	0
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EXEMPT REDUCTIONS TO MAINTENANCE OF EFFORT

1. The voluntary departure, by retirement or otherwise, or departure for just cause, of certificated and/or classified special education or related services personnel (does not include contract non-renewal or staff lay-off due to budget shortfall).

DEPARTING

No.	Position Title	Employee Name	Reason for Leaving	Salary	Benefits	Total
1.						\$0.00
2.						\$0.00
3.						\$0.00
4.						\$0.00
5.						\$0.00
6.						\$0.00
7.						\$0.00
8.						\$0.00
9.						\$0.00
10.						\$0.00
11.						\$0.00
12.						\$0.00
13.						\$0.00
14.						\$0.00
15.						\$0.00
16.						\$0.00
17.						\$0.00
18.						\$0.00
19.						\$0.00
20.						\$0.00
21.						\$0.00
22.						\$0.00
23.						\$0.00
24.						\$0.00
25.						\$0.00
26.						\$0.00
27.						\$0.00
28.						\$0.00
29.						\$0.00
30.						\$0.00
Departing Total				\$0.00	\$0.00	\$0.00

REPLACED BY

No.	Position Title	Employee Name	Reason for Leaving	Salary	Benefits	Total
1.						\$0.00
2.						\$0.00
3.						\$0.00
4.						\$0.00
5.						\$0.00
6.						\$0.00
7.						\$0.00
8.						\$0.00
9.						\$0.00
10.						\$0.00
11.						\$0.00
12.						\$0.00
13.						\$0.00
14.						\$0.00
15.						\$0.00
16.						\$0.00
17.						\$0.00
18.						\$0.00
19.						\$0.00
20.						\$0.00
21.						\$0.00
22.						\$0.00
23.						\$0.00
24.						\$0.00
25.						\$0.00
26.						\$0.00
27.						\$0.00
28.						\$0.00
29.						\$0.00
30.						\$0.00
Replacement Total				\$0.00	\$0.00	\$0.00
1. Departure Net Difference				\$0.00	\$0.00	\$0.00

Local Education Agency (LEA) Name 0	Special Education Local Plan Area (SELPA) 0
EXEMPT REDUCTIONS TO MAINTENANCE OF EFFORT	
2. A decrease in enrollment of children with disabilities.	
A. Current Year Special Ed. Unduplicated Pupil Count (SEMA or SEMB, Section 3, Line A4, Column A)	
B. Prior Year Special Ed. Unduplicated Pupil Count (SEMA or SEMB, Section 3, Line A4, Column B)	
C. Difference (only applicable if negative)	not applicable
D. Fractional decline (Line 2C (expressed as positive) divided by Line 2B)	0.00000%
E. Prior Year Expenditures from State and Local Sources (SEMA or SEMB, Section 3, Line A3, Column B)	
F. Allowable decline in expenditures related to decline in pupil count (Line D x Line E)	\$0.00
2. Decrease in Enrollment	\$0.00
California Department of Education, Special Education Division, April 23, 2015	

Local Education Agency (LEA) Name

0

Special Education Local Plan Area (SELPA)

0

EXEMPT REDUCTIONS TO MAINTENANCE OF EFFORT

3. The termination of the obligation to provide a program of special education to a particular child with a disability that is an exceptionally costly program because:

- A. *Child has left the jurisdiction of the agency; OR*
 B. *Child has reached the age at which the obligation of the agency to provide free appropriate public education (FAPE) to the child has terminated; OR*
 C. *No longer needs the program of special education*

Student Name	Reason (indicate A, B, or C)	Total
1.		\$0.00
2.		\$0.00
3.		\$0.00
4.		\$0.00
5.		\$0.00
6.		\$0.00
7.		\$0.00
8.		\$0.00
9.		\$0.00
10.		\$0.00
11.		\$0.00
12.		\$0.00
13.		\$0.00
14.		\$0.00
15.		\$0.00
16.		\$0.00
17.		\$0.00
18.		\$0.00
19.		\$0.00
20.		\$0.00
21.		\$0.00
22.		\$0.00
23.		\$0.00
24.		\$0.00
25.		\$0.00
26.		\$0.00
27.		\$0.00
28.		\$0.00
29.		\$0.00
30.		\$0.00

3. Total of Termination of Obligation**\$0.00**

California Department of Education, Special Education Division, April 23, 2015

Local Education Agency (LEA) Name

0

Special Education Local Plan Area (SELPA)

0

EXEMPT REDUCTIONS TO MAINTENANCE OF EFFORT

4. The termination of costly expenditures for long-term purchases, such as the acquisition of equipment or the construction of school facilities (must have per unit cost of \$5,000 or more).

Description of Expenditure	Total
1.	\$0.00
2.	\$0.00
3.	\$0.00
4.	\$0.00
5.	\$0.00
6.	\$0.00
7.	\$0.00
8.	\$0.00
9.	\$0.00
10.	\$0.00
11.	\$0.00
12.	\$0.00
13.	\$0.00
14.	\$0.00
15.	\$0.00
16.	\$0.00
17.	\$0.00
18.	\$0.00
19.	\$0.00
20.	\$0.00
21.	\$0.00
22.	\$0.00
23.	\$0.00
24.	\$0.00
25.	\$0.00
26.	\$0.00
27.	\$0.00
28.	\$0.00
29.	\$0.00
30.	\$0.00

4. Total Termination of Costly Expenditures**\$0.00**

California Department of Education, Special Education Division, April 23, 2015