



Maintenance of Effort

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Alignment to Learning Forward Standards

- The new education law, Every Student Succeeds Act (ESSA), redefines professional development with a purposeful influence from Learning Forward.
- Learning Forward, a national association recognized as leaders in professional learning, has established standards for professional learning that set a high bar for quality learning experiences.
- This session aligns to the following standard(s) *(please select the standard(s) appropriate for your session; be sure to give a brief description of the standard)*:
 - Learning Communities
 - **Leadership**
 - **Resources**
 - **Data**
 - Learning Designs
 - Implementation
 - Outcomes



Alignment to Learning Forward Standards

- **Leadership:** Professional learning that increases educator effectiveness and results for all students requires skillful leaders who develop capacity, advocate, and create support systems for professional learning.
- **Resources:** Professional learning that increases educator effectiveness and results for all students requires prioritizing, monitoring, and coordinating resources for educator learning.
- **Data:** Professional learning that increases educator effectiveness and results for all students uses a variety of sources and types of student, educator, and system data to plan, assess, and evaluate professional learning.

Maintenance of Effort
Special Education

Maintenance of Effort
ESSA

Excess Cost

Special Education MOE

Maintenance of Effort

- IDEA 613(a)(2)(A)(iii) Funds provided to the LEA under IDEA Part B may not be used to reduce the level of state and/or local funds used to provide special education and related services.
- Federal requirements mandate that federal grant funds supplement (increase) not supplant (replace) existing funding for special education programs.
- An LEA may reduce the level of expenditures according to 34 CFR § 300.204.

Maintenance of Effort

- The voluntary departure, by retirement or otherwise, or departure for just cause, of special education or related services personnel.
- A decrease in the enrollment of a child with disabilities. (SEA already takes this into consideration for districts)
- The termination of costly expenditures for long-term purchases, such as the acquisition of equipment or the construction of school facilities.

Maintenance of Effort

- The termination of the obligation of the agency, consistent with this part, to provide a program of special education to a particular child with a disability that is an exceptionally costly program, as determined by the SEA, because the child-
 - (1) Has left the jurisdiction of the agency;
 - (2) Has reached the age at which the obligation of the agency to provide FAPE to the child has terminated;
 - (3) No longer needs the program of special education.

Maintenance of Effort

- The assumption of cost by the high cost fund operated by the SEA under §300.704

Out of state high cost fund (Tier I funds)

Note: Does not include Tier II funds

Maintenance of Effort

NOTE:

OCAS Coding Errors are not an exception to Maintenance of Effort.

Adjustment to Local Fiscal Efforts in Certain Fiscal Years

- For any fiscal year for which the allocation received by an LEA under exceeds the amount the LEA received for the previous fiscal year, the LEA may reduce the level of expenditures by not more than 50 percent of the amount of that excess.
- Special Rule. The amount of funds expended by an LEA for early intervening services under shall count toward the maximum amount of expenditures that the LEA may reduce.

Adjustment

- State Department will no longer automatically elect the 50% adjustment for districts.
- Districts will be contacted in writing to elect or reject the adjustment.
- If the District chooses to elect the adjustment, the district must track the 50% of expenditures.

Example of Adjustment

- In FY 17, Project 621 Allocation was \$150,000.00
- In FY 16, Project 621 Allocation was \$100,000.00

Difference \$ 50,000.00

50% Rule \$25,000.00

In FY 17, the district can reduce the local and state expenditures for special education by \$25,000.00

Example of Adjustment with Early Intervening Services

- In FY 17, Project 621 Allocation was: \$150,000.00
- In FY 16, Project 621 Allocation was: \$100,000.00

Difference: \$ 50,000.00

50% Rule: \$ 25,000.00

Minus Early Intervening Set Aside: \$ 10,000.00

In FY 17, the district can reduce the local and state expenditures for special education by \$15,000.00

Special Education MOE Calculation

- Funds 11 through 60, Excluding 12 and 41
- Project Codes 000-399
- Function Codes 1000 through 3200
- Object Codes 100 through 899
- Program Code 239

New Regulation Starting in FY 15

IDEA section 613 (a)(2)(A)(iii) and 34 CFR §300.203¹

The level of effort a local education agency must meet under section 613 (a)(2)(A)(iii) of IDEA, in the year after it fails to maintain effort is the level of effort that would have been required in the absence of that failure and not the LEA's reduced level of expenditures.

- Under this provision, if an LEA failed to maintain effort in 2013-2014, the level of effort that the LEA must maintain in 2014-2015 is the level of effort that it would have been required in 2013-2014 in the absence of that failure, and not the LEA's reduced level of expenditures in 2013-2014

New Regulation Example

Table 1. LEA Maintained Effort in 2013-2014

Fiscal Year	Actual level of effort	Required level of effort	Notes
2012-2013	\$100	\$100	LEA met MOE requirement
2013-2014	\$90	\$90	LEA properly took exceptions and adjustments in 34 CFR §§300.204 and 300.205
2014-2015		\$90	Required level of effort is \$90 because LEA expended \$90 and met MOE in 2013-2014

New Regulation Example

OKLAHOMA STATE DEPARTMENT OF EDUCATION
FINANCIAL ACCOUNTING - OCAS EXPENDITURE REPORT
MAINTENANCE OF EFFORT FOR SPECIAL EDUCATION

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COUNTY	DISTRICT	2013-2014			2014-2015			% CHG IN EXPEND	% CHG IN PER CAP
		EXPENDITURE	OCT 1, 2013 CHILD CT	PER CAP	EXPENDITURES	OCT 1, 2014 CHILD CT	PER CAP		
01 Any County	I000 Any School in Oklahoma	35,706.74	58	616	27,574.98	63	438	(22.77)	(28.90) *

- In FY 15, this District did not MOE. The District filed for an exemption of \$8,131.76 based on the voluntary departure of special education personnel. In FY 16, the District will have to meet the expenditure level of FY 15.

New Regulation Example

Table 1. LEA Maintained Effort in 2013-2014			
Fiscal Year	Actual level of effort	Required level of effort	Notes
2012-2013	\$100	\$100	LEA met MOE requirement
2013-2014	\$90	\$90	LEA did not meet MOE requirement and state aid was reduced by \$10
2014-2015		\$100	LEA must meet the level of effort for FY 2012-2013

New Regulation Example

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			OCT 1, 2013 CHILD CT			OCT 1, 2014 CHILD CT			
01 Any County	I000 Any School in Oklahoma	35,706.74	58	616	27,574.98	63	438	(22.77)	(28.90) *

- In FY 15, this District did not MOE. The District did not have an exemption. In FY 16, the District will have to meet the expenditure level of FY 14.

New FY 17 Regulation

All Districts must budget local and state expenditures for Children with Disabilities in the FY 17 IDEA Consolidated Application.

New FY 17 Regulation

- Directions:**
1. Enter projected amounts in the appropriate fields for FY 2017 State and Local expenses coded to support your district's special education needs.
 2. Enter actual amounts in the appropriate fields for FY 2016 State and Local expenses coded to support your district's special education needs.
 3. Enter actual amounts in the appropriate fields for FY 2015 State and Local expenses coded to support your district's special education needs.
 4. The total expenses in the FY16 column should be equal to or more than the total expenses in the FY15 column for Maintenance of Effort to be maintained from one year to the next.
 5. The total expenses in the FY17 column should be equal to or more than the total expenses in the FY16 column for Maintenance of Effort to be maintained from one year to the next.

Function Code:	FY 2015	FY 2016	FY 2017
1000 Series – Instruction	<input type="text"/>	<input type="text"/>	<input type="text"/>
2100 Series – Support Services/Students	<input type="text"/>	<input type="text"/>	<input type="text"/>
2200 Series – Support Services/Instruction Staff	<input type="text"/>	<input type="text"/>	<input type="text"/>
2300 Series – Support Services/General Administration	<input type="text"/>	<input type="text"/>	<input type="text"/>
2400 Series – Support Services/School Administration	<input type="text"/>	<input type="text"/>	<input type="text"/>
2500 Series- Central Services	<input type="text"/>	<input type="text"/>	<input type="text"/>
2600 Series – Operation and Maintenance of Plant Services	<input type="text"/>	<input type="text"/>	<input type="text"/>
2700 Series – Student Transportation	<input type="text"/>	<input type="text"/>	<input type="text"/>
Per Cap Expenditure Adjustment	<input type="text"/>	<input type="text"/>	<input type="text"/>
Exceptions to MOE	<input type="text"/>	<input type="text"/>	<input type="text"/>
50% rule Adjustment to MOE	<input type="text"/>	<input type="text"/>	<input type="text"/>
Total	<input type="text"/>	<input type="text"/>	<input type="text"/>

Excess Cost

Excess Cost

Definition:

Cost in excess of the average annual per-pupil expenditure (APPE) in an LEA during the preceding school year.

34 CFR 300.16

Excess Cost

Use of Federal IDEA Funds:

IDEA funds may only be used to pay the excess cost of providing special education and related services for children with disabilities. 34 CFR 300.202 (a) (2)

Excess Cost

Calculation of Cost:

Excess Cost must be computed separately for elementary school students and secondary school students.
34 CFR 300.16

Excess Cost

Calculation

LEA's are responsible for calculating Excess Cost but the State Department is calculating Excess cost for all LEA's.

Excess Cost Report is available on the OCAS transparency website

Excess Cost

Calculation (elementary and secondary separately)

Determine total Expenditures from all sources.

Local/State/Federal

Deduct Capital Outlay and Debt services

Deduct Federal Funds from IDEA part B

Deduct Title I part A

Deduct Title III part A & B

Excess Cost

Deduct State and Local Funds expended for programs under IDEA part B, Title I part A and Title III parts A & B.

Determine the APPE from the immediate prior year by dividing the amount by the Oct 1st total student enrollment in the LEA during the preceding year.

Excess Cost

Multiply the number of children with disabilities in the current years child count by the APPE determined for the previous fiscal year.

The amount must be spent in the current fiscal year.

**OKLAHOMA STATE DEPARTMENT OF EDUCATION
EXCESS COST CALCULATION**

		Total Expenditures (Elementary) Funds 11 - 60, & 81, 86 Functions 1000 – 5100 Object Codes 100 - 899, & 930 Site Codes 105 – 699	Total Expenditures (Secondary) Funds 11 - 60, & 81, 86 Functions 1000 - 5100 Object Codes 100 - 899, & 930 Site Codes 700 – 799
State & Local Expenditures	Project Codes 000-419 and 800	\$ _____	\$ _____
Federal Expenditures	Project Codes 420-799	\$ _____	\$ _____
Total Expenditures		\$ _____	\$ _____
Minus Capital Expenditures	Object Code 700 Series	\$ _____	\$ _____
Minus Debt Services	Function Code 5100	\$ _____	\$ _____
Total Net Expenditures		\$ _____	\$ _____
Deductions:			
IDEA, Part B	Project Codes 613-642	\$ _____	\$ _____
Title I, Part A	Project Codes 511-519	\$ _____	\$ _____
Title III, Part A & B	Project Codes 571-572	\$ _____	\$ _____
Title I, Part A, and Title III, Part A & B State and Local	Program Codes 410, 424-429	\$ _____	\$ _____
Special Education State and Local	Program Codes 239	\$ _____	\$ _____
Total Deductions		\$ _____	\$ _____
Total Expenditures Less Deductions		\$ _____	\$ _____
ADM for Previous Year		_____	_____
Total Expenditures Divided by ADM **(PPE)		\$ _____	\$ _____
Special Education Count for Current Year		_____	_____
Special Education Count X (times) PPE		\$ _____	\$ _____
Total LEA spent on Special Education		\$ _____	\$ _____
*Minimum amount LEA needed to spend on Special Education		\$ _____	\$ _____

*** Total minimum amount of funds the LEA must spend for the education of children with disabilities enrolled in the LEA's elementary schools before using IDEA, Part B funds.**

Special Education MOE & Excess Cost

Differences:

MOE is the LEA state and local expenditures for children with disabilities.

Excess Cost are elementary and secondary expenditures for the education of children with disabilities.

Maintenance of Effort under ESSA Section 8521

ESSA MOE

(a) IN GENERAL- A local educational agency may receive funds under a covered program for any fiscal year only if the State educational agency finds that either the combined fiscal effort per student or the aggregate expenditures of the agency and the State with respect to the provision of free public education by the agency for the preceding fiscal year was not less than 90 percent of the combined fiscal effort or aggregate expenditures for the second preceding fiscal year.

ESSA MOE

(b) REDUCTION IN CASE OF FAILURE TO MEET-

(1) IN GENERAL- The State educational agency shall reduce the amount of the allocation of funds under a covered program in any fiscal year in the exact proportion by which a local educational agency fails to meet the requirement of subsection (a) of this section by falling below 90 percent of both the combined fiscal effort per student and aggregate expenditures (using the measure most favorable to the local agency). If such requirement (as determined using the measure most favorable to the local agency) for one or more of the five immediately preceding fiscal years.

(2) SPECIAL RULE- No such lesser amount shall be used for computing the effort required under subsection (a) of this section for subsequent years.

ESSA MOE

(c) **WAIVER**- The Secretary may waive the requirements of this section if the Secretary determines that a waiver would be equitable due to:

(1) exceptional or uncontrollable circumstances, such as a natural disaster or a change in the organizational structure of the LEA; or

(2) a precipitous decline in the financial resources of the local educational agency.

ESSA MOE Calculation

- Total Expenditures plus federal COOP Inputs
 - Funds 11 through 60, Excluding 12 and 41
 - Function Codes 1000 through 3200
 - Object Codes 100 through 899
- Deductions
 - Adult Education Expenditures
 - Community Services
 - Capital Outlay
 - Payments to LEA's
 - Federal Funds (not including Impact Aid)
 - Student Activities

ESSA MOE Calculation

- Inputs

- Teacher Retirement

- Career Tech

- Co-op Funds

- Net Current Expenditures

- Must be matched by 90% from year to year.

ESSA MOE Calculation

- Three ways to Calculate Maintenance of Effort.
 - Expenditures
 - Average Daily Attendance Per Student Expenditure
 - October 1 Enrollment Per Student Expenditure

REMEMBER

Special Education MOE is for only Special
Education Local and State Expenditures
and
ESSA MOE is overall Local and State
Expenditures

REMEMBER WITH ESSA

Maintenance of Effort and Supplement vs
Supplant are different.

You can meet MOE and Not meet the ESSA
definition of Supplement vs Supplant

OCAS CODING IS VERY CRITICAL

Revenue and Expenditures that are uploaded to the OCAS System in the Single Sign-On System determines if your district is in compliance with Federal Laws.

QUESTIONS

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THANK YOU