



IDEA-B LEA MAINTENANCE OF EFFORT GUIDANCE HANDBOOK

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Please note that the PIC 99 allocation (which is used to allocate PIC 99 expenditures among specific organizations and programs within the LEA) is not used in the IDEA-B LEA MOE calculation. LEAs may use the calculation tool described in Appendix 4 to calculate their own compliance.

COMPLIANCE WITH IDEA-B LEA MOE REQUIREMENT

Per 34 CFR 300.203, LEAs that expend IDEA-B funds must comply with the IDEA-B MOE requirement. This section describes the methods of determining compliance, the consequences of noncompliance, and allowable federal exceptions and state reconsiderations to the MOE requirement.

METHODS OF DETERMINING COMPLIANCE

To meet the IDEA-B MOE requirement in any fiscal year, an LEA is required to expend state and/or local funds on special education at 100% of the level at which it expended state and/or local funds on special education in the last compliant fiscal year. 34 CFR 300.203 provides the following four methods for determining whether an LEA has met the IDEA-B MOE requirement:

- x The total amount the LEA expended in state and local funds must equal or exceed the amount it expended from those sources for special education during the last compliant fiscal year.
- x The per-pupil amount the LEA expended in state and local funds must equal or exceed the amount it expended per capita from those sources for special education during the last

Consequences of Noncompliance

If an LEA fails all four tests, it will be notified of its preliminary status of noncompliance and given the opportunity to respond by claiming allowable federal exceptions, voluntary MOE reduction, and/or requesting state reconsiderations.

If an LEA does not have sufficient allowable federal exceptions, a voluntary MOE reduction, and/or state reconsiderations to offset the decline in fiscal effort, the LEA must refund to TEA the amount by which the LEA failed to maintain effort (i.e., the difference between its last compliant year and current year expenditures for students with disabilities after all applicable federal exceptions, voluntary MOE reduction, and state reconsiderations have been applied). Likewise, note that sufficient allowable federal exceptions, voluntary MOE reduction, and/or state reconsiderations may offset, or exceed, the entire decline in fiscal effort resulting in no refund to be required.

If the refund amount exceeds the LEA's IDEA-B maximum entitlement for the fiscal year under U H Y L M Z H S Z L D I O H T X M U B H G X Q G W R K Q I O D P X S W Q W H S T V P D L R Q W L W O H P H Q W The repayment must be made from nonfederal funds or from funds for which accountability to the federal government is not required, that is, from state and/or local funds.

Federal Exceptions to the MOE Requirement

As stated in 34 CFR 300.204, the LEA may reduce the level of its state and/or local expenditures below the level of those expenditures for the last compliant fiscal year only if the reduction is attributable to any of the following:

- (a) The voluntary departure, by retirement or otherwise, or departure for just cause, of special education or related services personnel.
- (b) A decrease in the enrollment of children with disabilities.
- (c) 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 State Education Agency (SEA), because the child²
 - (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; or
 - (3) No longer needs the program of special education.
- (d) The termination of costly expenditures for long-term purchases, such as the acquisition of equipment or the construction of school facilities.
- (e) The assumption of cost by the high cost fund operated by the SEA under 34 CFR

These federal exceptions, if applicable, reduce the IDEA-B LEA MOE requirement in the fiscal year under review and may result in the LEA becoming compliant or may reduce the amount of any refund due for noncompliance.

/(\$ V F R P S T Q R U W V W D Q G P U H S L V H B Q V Z R U N E R D Q M W R G G R F W A B I C O W D W W U L the allowable causes described above. The exceptions workbook will be posted on the [IDEA-B LEA](#)

[MOE](#) webpage and in the Grants and Federal Fiscal Compliance (GFFC) Reports and Data Collections application available in TEAL.

Departure of Personnel

To reduce the level of state and/or local expenditures on the basis of departure of personnel, the LEA must provide the following source documentation:

- x Source payroll record (e.g., personnel action form, resignation letter signed and dated by the employee) indicating the reason(s) why the employee departed the LEA
- x Year-to-date payroll distribution journal

In addition, the following conditions must be satisfied:

- x The departure from the special education teaching position must be voluntary (that is, the employee resigned from the position or retired) or for just cause (the employee was terminated as the result of misconduct or negligence). If the LEA reduces the number of special education personnel, including as the result of a reduction in force, the LEA may not F O D W R E H S D U S K I U N R E C E P T I O N .
- x The LEA may not F O D W R E H S D U S K I U N R E C E P T I O N . U H O R L D V D L O R L Q J renew the contract of a probatio Q D U P S O R \ H H D R M Q K R W K I F D V M V R M M W V F D X requirement.

Decrease in Enrollment of Children with Disabilities

To reduce the level of state and/or local expenditures on the basis of decrease in enrollment of children with disabilities, the LEA must provide the following source documentation:

- x Enrollment numbers for children for disabilities for both applicable years, either at the level of LEA, campus, or special classroom/related service
- x Source payroll record (e.g., personnel action form) indicating the reason(s) why an employee was reassigned due to decreased enrollment
- x Year-to-date payroll distribution journal
- x Any other support documents that justify the amount attributed to decrease in enrollment

In addition, the following conditions must be satisfied:

- x Decrease in enrollment must have occurred between the compliance review year and the previous year
- x The LEA must provide a narrative description of the expenditures reduced based on a decrease in enrollment of children with disabilities.
- x Examples include, but are not limited to, special education staff reassignment to general education, special education teacher or administrator layoff, and/or closure of a self-contained classroom/unit (combining/merger with another).

Termination of Obligation

To reduce the level of state and/or local expenditures because the LEA no longer has an obligation to serve a child with an exceptionally costly program, the LEA must provide the following supporting documentation:

SIGNIFICANT TSDS PEIMS ERRORS

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7 R G H P R Q V W U D D W U H U L W Y K ' D W J Q the LEAD Q S W Enter its self-reported, corrected data into 7 (\$ 1 V , - B \$ E A M O E calculation tool (available on the [IDEA-B LEA MOE](#) page of the TEA website) and the results P X V U H I O H F K W D Q Q H W (\$ 1 V H [S H Q G L W X U H V

If the results of the TEA IDEA-B LEA MOE calculation tool show a change in expenditures, TEA will recalculate a revised compliance review report using the corrected data. The calculation performed by the IDEA -B LEA MOE calculation tool is an estimate only and does not G X S O L F D W Y B F W K C H X O S U A R L F R A K U H V X P I T W (\$ 1 V U H F D O Z K O E W K E B Q R V the final IDEA -B LEA MOE compliance review.

7 K H / (\$ D \ U H T X H W W D H F R Q V L G R U L D J W L R I C E D B O W W (\$ 1 V U H S T R U O W H G PEIMS expenditures by providing the following to TEA:

- x The results returned by the IDEA- % 0 2 (F D O F X O V R I O R O H V K H S 1 V H [W H U Q D O D X G L W K R Z I K R Z V K F R U U H F W D R Q M (\$ 1 V H H [S H Q G L W X U H V
- x A detailed V F K H G X O H S U N S D O H V S K H S T V e n a auditor containing the erroneous and the correct TSDS PEIMS data, along with the supporting documentation for such claims.
- x A description of how the error occurred and the administrative procedures taken to ensure such TSDS PEIMS data errors do not reoccur.

Any decision to use revised data in the calculation of IDEA-B MOE determinations will not change W K R I L F 6 D 6 3 (, 0 6 G D V Z B L F K L D J W K I F A 1 V V R V W R I P D U H F R 7 U K G R I I 7 L F 6 D O PEIMS data is final and will remain unchanged on all TEA products and reports that rely on that information.

Possible Consequences of a State Reconsideration Request Due to Significant TSDS PEIMS Errors

: K H O Q (\$ Q R W L I L R V V L \$ Q Z 6 L 5 B (Q O 6 H U U R O W W (\$ 1 V U H S R [S W G L W X U H V L the process R U H T X H V W L W D W K H H F R Q (\$ 1 V G H) U S Y L R Z R O O N W K I R O O R Z L Q J notifications of the erroneous data submission to the following TEA divisions and departments, with the following possible results:

x Financial Compliance Division: Possible increased risk for audit, investigation and/or review

x State Funding Division: Possible effect on state funding

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Function Codes Used in MOE Determination

The function codes listed in the following table meet the requirements of the IDEA regulations and are used to aggregate state and/or local expenditures within PICs 23, 33, and 43 (PIC 43 will be included beginning 2020-2021).

Function Code	Description
11	Instruction
12	Instructional Resources
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