

## **IDEA B – Maintenance of Effort (MOE)**

### **Slide 1**

IDEA-2004 changed some of the requirements for MOE. The purpose of this webinar is to explain the MOE requirements and illustrate how the new MOE worksheet is designed to factor in these regulations. It may be helpful to have the MOE worksheet available for reference. The MOE worksheet is due July 31<sup>st</sup> of each year and replaces MOE reporting on the IDEA B application. Detailed instructions for the MOE worksheet are available on DPI's website.

### **Slide 2**

The basic MOE requirement states that you cannot reduce the level of expenditures made by your unit from local funds below the level of those expenditures for the preceding year.

### **Slide 3**

There are two MOE standards the SEA must review: the application standard and the audit standard. The application standard verifies an LEA's eligibility for Part B funds by ensuring the LEA is budgeting to meet MOE in the upcoming year. The MOE worksheet currently verifies this standard.

The audit standard requires review of the most recent year expenditures against the prior year to ensure the LEA's actual expenditures met MOE requirements. After establishing a base year, the MOE worksheet will be revised to also include this verification. The worksheet due July 31<sup>st</sup>, 2009 will become your base year.

### **Slide 4**

To meet the application standard, the LEA must budget as least the same total or per capita amount. The MOE worksheet auto calculates both ways for you.

The source of funds may be local or a combination of state and local sources. Because of this, Section B of the MOE worksheet asks you to separate out state and local expenditures. It is to your advantage to separate out state and local expenditures. However, if you do not have the capability to do so, simply report the combination of state and local expenditures in Column C and H of Section B.

### **Slide 5**

Do not include as State or local expenditures any expenditures paid with Federal funds for which your unit is required to account to the Federal government. When entering expenditures into Section B of the MOE worksheet you must only include expenditures made with state and local sources. The expenditures you report under "2008-2009 School Year (Actual)" and "2009-2010 School Year (Budgeted)" columns cannot include any expenditures made from federal funds.

### **Slide 6**

The allowable exceptions are listed. Table 3 of the MOE worksheet allows you to report allowable exceptions. Please keep in mind that supporting documentation in the form of accounting reports, invoices, etc. must be submitted to DPI to verify any and all exceptions.

**Slide 7**

An increase in federal special education funds can assist you in meeting MOE requirements. IDEA-2004 allows LEAs to treat increases in federal special education entitlement funds they receive from one year to the next as if these federal funds are state and local funds for the purpose of meeting the MOE requirement. Table 1 of the MOE worksheet auto calculates the optional flexibility amount, if any.

**Slide 8**

For example, if your FY 2008 IDEA B allocation was \$400,000 and your FY 2009 IDEA B allocation was \$500,00 your would have received an increase of \$100,000. The optional flexibility provision allows you to take 50% (or \$50,000) and treat as state and local funds for the purposes of meeting the MOE. Certain exceptions apply, as explained in the next slide.

**Slide 9**

The amount an LEA spends on EIS counts towards the maximum expenditures that the LEA may reduce its MOE level. This is why you are asked to report EIS expenditures in Table 1. Listed are four scenarios for you to review to further understand the effect of EIS on the optional flexibility provision.

**Slide 10**

When you are finished entering in all of your data, Table 2 of the MOE worksheet will display the increase or decrease in MOE. Depending on whether or not you were able to separate out state and local expenditures, the worksheet will provide the following four allowable MOE methods: total local expenditures, local expenditures per child, total local and state expenditures, local and state expenditures per child. Elect to use the method that is most advantageous to you by typing "yes" in the appropriate box. If you have not met MOE through any of the four methods but have an allowable exception, complete Table 3.

**Slide 11**

We hope this webinar has shown you the benefits of the new MOE worksheet. If, after reviewing the MOE worksheet and instructions, you have additional questions please contact me directly. Thank you for your time.