

# SPECIAL EDUCATION FINANCE



# MAINTENANCE OF EFFORT (MOE)

## Calculation

- Based on Annual Financial Program Report (APR)
- Total local expenditures
- Total local and state expenditures
- Excludes Medicaid
- Includes 4 calculation methods (must meet MOE in at least one area)
  - State & local total
  - State & local per pupil
  - Local only
  - Local per pupil



# MAINTENANCE OF EFFORT (MOE)

Multi-Year MOE Summary

Fiscal Year	Standard	Child Count	Local Total Amount	Local Total MOE Result	State and Local Total Amount	State and Local Total MOE Result	Local Per Capita Amount	Local Per Capita MOE Result	State and Local Per Capita Amount	State and Local Per Capita MOE Result
2010-2011	Compliance (Expenditures)	7389	\$ 17,318.00	Met as Baseline	\$ 27,829,190.00	Met as Baseline	\$ 2.34	Met as Baseline	\$ 3,766.30	Met as Baseline
2011-2012	Compliance (Expenditures)	7745	\$ 30,940.00	Did Not Meet	\$ 28,632,042.00	Met	\$ 3.99	Met	\$ 3,696.84	Did Not Meet
2012-2013	Compliance (Expenditures)	8462	\$ 68,409.00	Met	\$ 26,051,567.00	Did Not Meet	\$ 8.08	Met	\$ 3,078.65	Did Not Meet
2013-2014	Compliance (Expenditures)	8358	\$ 70,640.00	Met	\$ 27,422,994.00	Met	\$ 8.45	Met	\$ 3,281.05	Did Not Meet
2014-2015	Compliance (Expenditures)	8248	\$ 69,855.00	Met with Exceptions or Adjustments	\$ 29,299,437.00	Met	\$ 8.47	Met	\$ 3,552.31	Did Not Meet
2015-2016	Compliance (Expenditures)	8725	\$ 82,372.00	Met	\$ 30,123,722.00	Met	\$ 9.44	Met	\$ 3,452.58	Did Not Meet
2016-2017	Compliance (Expenditures)	7738	\$ 89,800.00	Met	\$ 33,878,810.00	Met	\$ 11.61	Met	\$ 4,378.24	Met



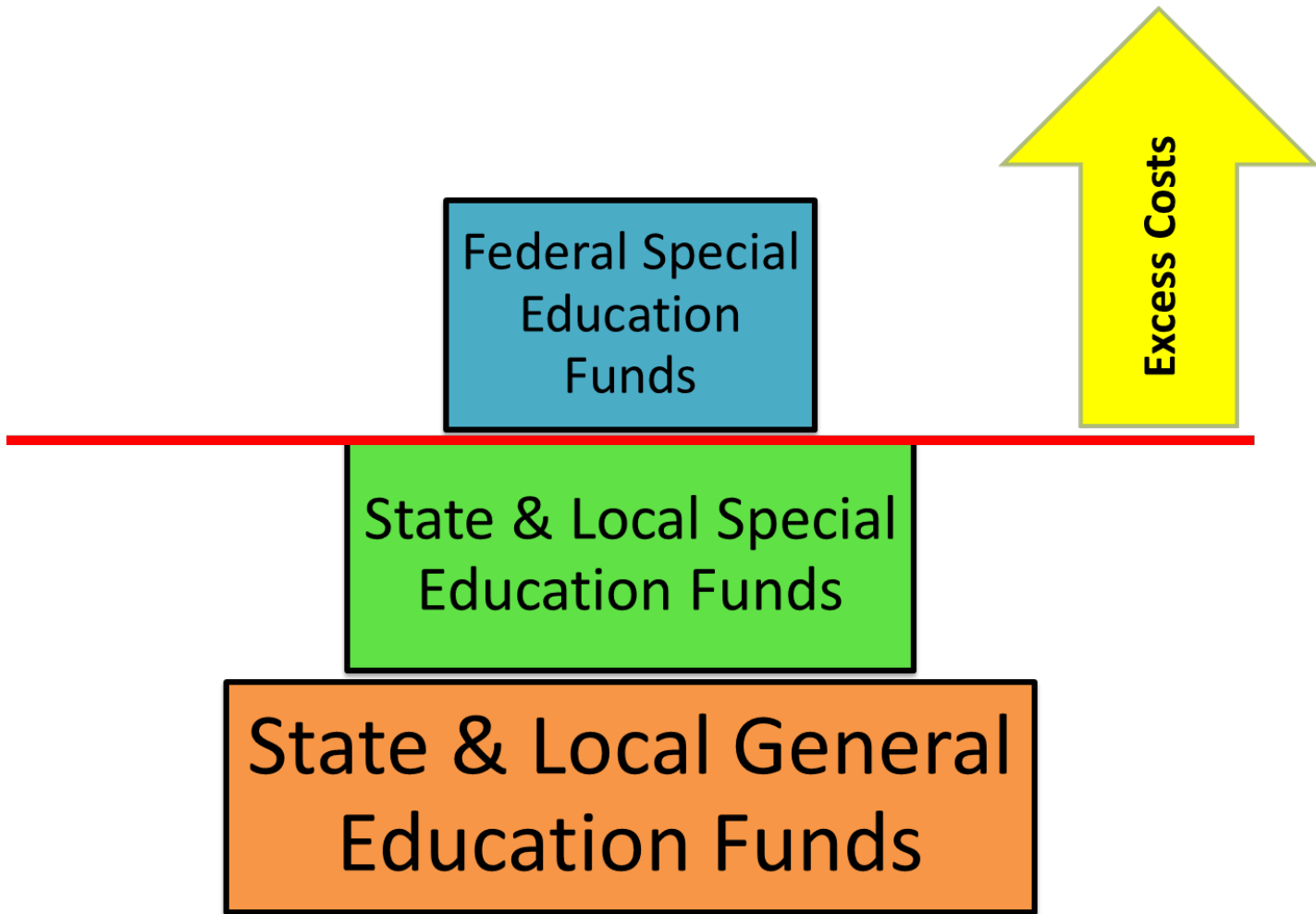
# MAINTENANCE OF EFFORT (MOE)

## Exceptions when applicable

- The voluntary or just-cause departure of special education or related services personnel
- A decrease in the enrollment of students with disabilities
- The termination of costly expenditures for long-term purchases
  - Such as the acquisition of equipment or construction of school facilities
    - In Utah, the costs of construction of school facilities can not be used as an exception to meet MOE.
    - State special education unrestricted funds are for WPU activities, not construction. Unrestricted other state funds that are used for construction are excluded in our calculation of MOE.
    - According to Utah State Code, restricted special education funds must be spent for the education of students with disabilities. They can not be used for construction projects.

# MAINTENANCE OF EFFORT (MOE)

- The assumption of cost by the Intensive Services fund
- The termination of the obligation of the LEA, to provide a program of special education to a particular student with a disability that is an exceptionally costly program, as determined by the USBE staff, because the student:
  - Left the jurisdiction of the LEA;
  - Reached the age at which the obligation of the LEA to provide a FAPE to the student has terminated; or
  - No longer needs the program of special education



# EXCESS COSTS



# EXCESS COSTS PRINCIPLES

- Special education costs more than general education
- State and local resources must be used to support special education costs
- Students with disabilities receive general education first
- Federal funds are intended as a supplement to Local and State fund
- Use of Federal funds should not replace the use of Local and State funds

# EXCESS COSTS CALCULATION

- Each LEA must complete an Excess Costs Worksheet with annual application
- Elementary and Secondary school costs are calculated separately
- Determines the amount that must be spent on the regular education of students with disabilities before IDEA funds for the excess costs of specialized instruction and related services are expended
- [Link to worksheet](#)
- [Link to instructions](#)



# EXCESS COSTS — SCHOOL LEVEL

- Assign by school code wherever possible
- Costs not directly attributed to schools (multi-school or district-level expenditures) may be apportioned based on total LEA student population in elementary and secondary schools

**Letter to Plagata-Neubauer, April 8, 2008**

# MAINTENANCE OF EFFORT AND EXCESS COSTS

## Key Differences between IDEA Local Educational Agency Maintenance of Effort and Excess Cost Requirements

The Individuals with Disabilities Education Act (IDEA) contains two separate requirements for local educational agencies (LEAs) to ensure sufficient funding for special education programs: maintenance of effort (MOE) and excess cost. While these requirements have some similarities, **they are separate requirements requiring separate calculations.**

### LEA MOE

An LEA must maintain at least the same amount of local, or state and local, funds it spends for the education of children with disabilities from year to year. At 34 CFR §300.203, IDEA requires an LEA to budget and expend at least the same amount of local, or state and local, funds for the education of children with disabilities as it expended in previous years, on a total or per capita basis. This requirement is called LEA maintenance of effort, or LEA MOE.

### Excess Cost

IDEA Part B funds can be used only for expenses above and beyond what is spent on average on an elementary or secondary school student, which is known as "excess cost." IDEA requires, at 34 CFR §§300.16 and 300.202(b), and at Appendix A to Part 300, that an LEA use its IDEA funds for costs of special education and related services that are in excess of the costs for all students. This ensures that the LEA spends at least as much on children with disabilities as on children without disabilities before using IDEA funds. An LEA meets the excess cost requirement if it has spent at least a minimum amount of non-IDEA dollars for the education of children with disabilities. That minimum amount is determined using a step-by-step method defined in IDEA and described in this document.

### Purpose

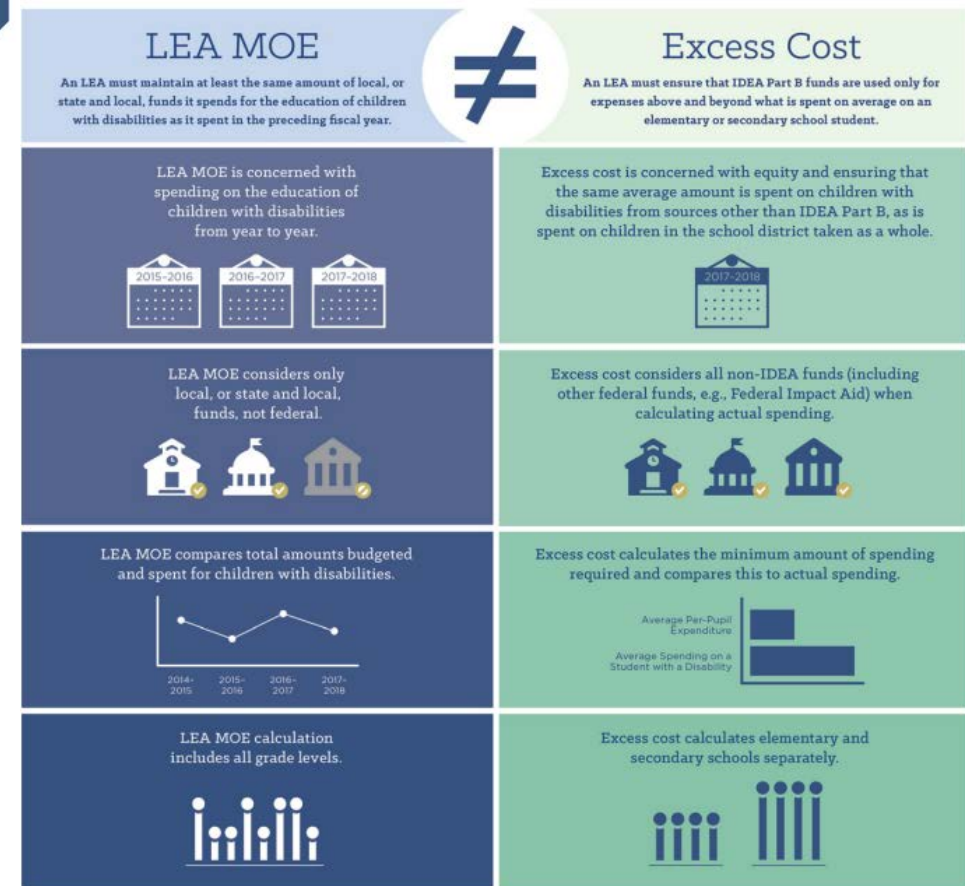
The purpose of this document is to describe key differences between the requirements and the methods for calculating compliance with each separate requirement. **One calculation cannot be used to satisfy both the LEA MOE and excess cost requirements. An LEA might meet one requirement, but not the other.**

<https://cifr.wested.org/wp-content/uploads/2018/01/CIFR-MOE-vs-Excess-Cost-Document.pdf>

## Key Differences between IDEA LEA MOE and Excess Cost Requirements

IDEA contains two separate requirements for LEAs to ensure sufficient funding for special education programs: LEA MOE and excess cost. While these requirements have some similarities, **they are separate requirements requiring separate calculations.**

☛ This graphic, intended to be used together with the following question and answer table, illustrates key differences.



# MAINTENANCE OF EFFORT AND EXCESS COSTS

	<i>LEA MOE</i>	<i>Excess Cost</i>
<i>A. What are the requirements?</i>	An LEA must budget and expend at least the same amount of either local, or state and local, funds for the education of children with disabilities <b>from year to year</b> . If an LEA meets the LEA MOE requirements, it also meets the requirement that LEAs use IDEA funds to supplement state, local, and other federal funds, and not supplant them (see 34 CFR §300.202).	An LEA must use IDEA funds to pay only the excess cost of providing special education and related services for children with disabilities <b>in a given school year</b> .  The regulations state that non-IDEA funds must be expended BEFORE spending IDEA funds. OSEP has clarified that, as long as the non-IDEA funds are expended by the end of the fiscal year, IDEA funds may be expended concurrently.
<i>B. Where can they be found in the regulations?</i>	34 CFR §§300.203-300.205 Appendices D–E	34 CFR §§300.16, 300.202(a)(2) and (b) Appendix A
<i>C. What are the major differences?</i>	When calculating LEA MOE, an LEA performs one calculation inclusive of all grade levels.  The LEA MOE test is a year-to-year comparison to determine whether or not an LEA budgeted and expended for the education of children with disabilities at least as much as it had in a previous fiscal year.	When calculating excess cost, an LEA must compute the minimum average amount separately for children with disabilities in its elementary schools and for children with disabilities in its secondary schools.  The excess cost test is not a year-to-year comparison, but a test of whether or not the LEA spent a minimum average amount for the education of elementary (or secondary) school children with disabilities before using IDEA funds.

# SPED FUNDS ALLOWABILITY LISTS

- State Funds

- FiCAM Manual

- <https://schools.utah.gov/file/62ae9983-8778-4d45-99b0-a238c9deec83>
    - Pages 28-30

- Federal Funds

- FiCAM Manual

- <https://schools.utah.gov/file/62ae9983-8778-4d45-99b0-a238c9deec83>
    - Pages 75-90

- Special Education Rules

- <https://schools.utah.gov/file/bff61848-ae42-4265-a654-6dae5f398507>
    - Pages 202-218



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