

## **OVERVIEW OF IDEA MAINTENANCE OF EFFORT (Special Education)**

### **LEA Maintenance of Effort Requirement (MOE): 34 CFR 300.203**

An LEA must not use funds provided under Part B of the IDEA to reduce the level of expenditures for the education of children with disabilities made by the LEA from local, or state and local, funds below the level of those expenditures for the comparison year, which is the last year in which the specific Maintenance of Effort test was met.

### **IDEA Compliance Standard for MOE**

An analysis of an LEA's MOE compliance does not occur until after the fiscal year has closed. The LEA needs to pass at least one of the four MOE tests listed below to demonstrate compliance.

1. At least the same combined amount of local and state funds was expended as the LEA expended from these two sources on special education activities comparison year.
2. At least the same amount of local funds was expended as the LEA expended from local funds on special education activities the comparison. (The district must have a reasonable and consistently applied method to establish the their state and local expenditures.)
3. At least the same student per capita amount from local and state funds was expended as the LEA expended from these two sources on special education activities in the comparison year.
4. At least the same student per capita amount from local funds was expended as the LEA expended from local funds on special education activities in the comparison year.

### **Non-Compliance with MOE**

If an LEA does not pass at least one of these four MOE tests, the LEA must provide documentation to the South Dakota Department of Education explaining how one of the exceptions listed below prevented the LEA from expending the necessary amount of local or state funds to maintain effort.

If the LEA is unable to establish an allowable exception, noncompliance will be determined and the LEA will be required to pay the amount it fell below the MOE requirement to the South Dakota Department of Education.

### **Exceptions to Maintenance of Effort: 34CFR 300.204 and 300.205**

An LEA may reduce the level of expenditures from local, or state and local funds, below the level of those expenditures for the comparison year if the reduction is attributable to the following.

1. The voluntary departure, by retirement or otherwise, or departure for just cause, of special education or related services personnel funded with local or state funds. (Personnel previously funded with federal IDEA funds are not allowable exceptions. Staff that have been laid off or have had their contracts reduced due to district budget shortfalls are not allowable exceptions.)
2. A decrease in the enrollment of children with disabilities.
3. 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; or
- (3) no longer needs the program of special education.

Districts that are able to demonstrate that they separately track local and state expenditures within the Special Education Fund may choose to use the local fund exceptions for the shortfall. Districts that do not separately track state and local expenditures within the Special Education Fund must use the total combined State and local expenditures shortfall for MOE Exceptions. It is good practice to have an exception for any test not met so the comparison year can be the prior year.

### **Determining Eligibility for the Next Year's IDEA Part B Funds**

To be eligible to receive the next fiscal year's IDEA funds, the LEA must budget sufficient local or state funds to show it intends to pass at least one of the four MOE tests listed above. For eligibility purposes the next fiscal year's budget is compared to the most recent fiscal year information is available.

Please note that the final analysis of the LEA's compliance will compare actual expenditures to the comparison year.