

IDEA-B LEA Maintenance of Effort (MOE) FY 2014 and Beyond

**Texas Education Agency (TEA)
Division of Federal Fiscal Compliance and Reporting
November 2013**



Topics

- ▶ **Federal Law**
- ▶ **Four Test Methods**
- ▶ **Calculation Methodology**
- ▶ **SHARS**
- ▶ **OSEP Boundy Letter**



Topics

- ▶ **Federal Statutory Exceptions**
- ▶ **MOE Voluntary Reduction**
- ▶ **State Reconsiderations**
- ▶ **Timeline**
- ▶ **Resources and Guidance**



IDEA-B LEA MOE

Required by federal law:

**34 Code of Federal Regulations
(CFR) § 300.203**

(Handout #1)



IDEA-B LEA MOE

- ▶ **Requires LEAs to expend the same amount of local/state funding for special education and related services as it expended in the previous fiscal year**

(Handouts #1 and #2)



Four Test Methods

LEA must pass one of four tests:

1. Total State and Local Expenditures
2. Per Capita State and Local Expenditures
3. Total Local Expenditures
4. Per Capita Local Expenditures

(Handout #2)



Calculation Methodology

1. Total State and Local Expenditures:

- PEIMS record 032
 - Fund Codes 199 and/or 420
 - Function Codes:
11, 12, 13, 21, 23, 31
32, 33, 34, 36, 41, 51, 53
 - PICs 23 and 33

(Handout #3)



Calculation Methodology

1. Total State and Local Expenditures (continued):

- PEIMS record 033
 - Fund 437, PIC 23 and 33
- **Less SHARS Medicaid Cost Share
(calculated state/local share)**

(Handout #3)



Calculation Methodology

- ▶ **SHARS Medicaid Cost Share**
 - **Cost Share may not be used for more than one program**
 - **TEA *calculates* SHARS Medicaid Cost Share and deducts amount to arrive at Total State and Local Expenditures**

(Handouts #3 and #4)



SHARS – FASRG - Coding

- ▶ **R5931 School Health and Related Services (SHARS)**
 - Funds received represent reimbursements to the LEA for school-based health services provided to students in the Medicaid Program
 - Expenditures associated with SHARS reimbursements will be subtracted from Special Education expenditures for MOE purposes
 - Expenditures subtracted comprise the state/local Medicaid Cost Share Amount

(Handout #4)



Calculation Methodology

2. Per Capita State and Local Expenditures:

- **Total State and Local Expenditures/Special Education Student Count (PEIMS Record 163, Child-Count Funding Type 3)**

(Handout #3)



Calculation Methodology

3. Total Local Expenditures

▶ Imputed using:

- Total State and Local Expenditures
- Summary of Finance Data:
 - Special Education Allotment
 - Total Tier I
 - Local Fund Assignment

(Handout #3)



Calculation Methodology

4. Per Capita Local Expenditures:

- Total Local Expenditures/Special Education Student Count (PEIMS Record 163, Child-Count Funding Type 3)

(Handout #3)



OSEP Boundy Letter

Compare Current Year:

- ▶ **To Previous Prior Year, if non-compliant in prior year**

(Handout #5)



IDEA-B MOE Determination Report

- ▶ **LEA example: Compliant**
- ▶ **LEA example: Non-Compliant**

(Handout #6)



Federal Statutory Exceptions to MOE

Five exceptions cited:

34 CFR § 300.204

(Handouts #2 and #7)



Exception A:

**Voluntary departure of
Special Education
personnel –
34 CFR § 300.204 (a)**

(Handout #8)



Exception B:

**Decrease in the enrollment of
children with disabilities –
34 CFR § 300.204 (b)**

(Handout #8)



Exception C:

**Termination of an
exceptionally costly
program (obligation to
particular student) –
34 CFR § 300.204 (c)**

(Handout #8)



Exception D:

**Termination of costly long-term purchases, such as the acquisition of equipment -
34 CFR § 300.204 (d)**

(Handout #8)



Exception E:

**Assumption of cost by the
high cost fund –
34 CFR § 300.204 (e)**

(Handout #8)



MOE Voluntary Reduction

- ▶ **34 CFR 300.205(a) permits the LEA, if it chooses, to reduce MOE by up to half the increase in its IDEA-B Formula § 611 allocation from the previous year**

(Handouts #7 and #8)



MOE Voluntary Reduction

Three Eligibility Criteria:

- 1. Increase in IDEA-B Formula Entitlement from previous year**
- 2. “Meets Requirements” LEA Determination under § 616 of IDEA**
- 3. *Not* identified with “Significant Disproportionality” under 34 CFR § 300.646**

(Handouts #7 and #8)



MOE Voluntary Reduction

- ▶ **MOE Voluntary Reduction and CEIS interconnection**
 - **34 CFR § 300.226(a)**
 - **34 CFR § 300.205(d)**

(Handouts #7, #8, and #9)



MOE Voluntary Reduction

If LEA elects to do only MOE Voluntary Reduction:

- **Amount available may not exceed 50% of increase in IDEA-B Formula funding (§ 611 IDEA-B)**

(Handouts #7, #8, and #9)



MOE Voluntary Reduction

If LEA elects to do only CEIS:

- ▶ **Amount available may not be more than 15% of IDEA-B allocation (§ 611 and 619 IDEA-B)**

(Handouts #7, #8, and #9)



MOE Voluntary Reduction

- ▶ If the LEA is *both* setting aside funds for CEIS *and* voluntarily reducing its MOE, the LEA should determine the *lowest amount*.

(Handouts #7, #8, and #9)



MOE Voluntary Reduction

LEA chooses to do both MOE and CEIS:

- ▶ LEA determines *lowest amount*:
 - the amount available for CEIS set-aside (15%), or
 - the amount available for voluntary MOE reduction (50%)
- ▶ Combined, the CEIS set-aside and MOE reduction may not exceed the *lowest amount*.

(Handouts #7, #8, and #9)



State Reconsiderations

- ▶ **Significant PEIMS Errors**
 - **Must change compliance status**
 - **Will not change PEIMS data**
 - **Replaces PEIMS in FFCR database ONLY**

(Handouts #2, #3 and #8)



State Reconsiderations

- ▶ **Federal Funds Which *May be Considered as State or Local Funds***

(Handouts #2, #3 and #8)



State Reconsiderations

- ▶ **Legislatively Mandated Changes to Account for Funds**

(Handouts #2, #3 and #8)



DIVISION OF
FEDERAL FISCAL COMPLIANCE
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State Reconsiderations

- ▶ **Significant Timing Issues**
 - **SHARS**
 - **Change in fiscal year**
 - **Extraordinary item**
 - **Other**

(Handouts #2, #3 and #8)



State Reconsiderations

- ▶ **SHARS federal reimbursement expended in Special Education**
 - **Fund codes 199, 420, and/or 437**
 - **PIC 23**

(Handouts #2, #3 and #8)



Timeline for IDEA-B LEA MOE

- ▶ Preliminary determination issued
- ▶ LEA has opportunity to respond (30 calendar days to respond)
- ▶ TEA review (up to 45 days)
- ▶ Final determination issued
- ▶ Enforcement Action, if appropriate

(Handout #11)



IDEA-B MOE

Determination Calculation Tool

- ▶ **Includes instructions, worksheets, and examples for FY2014 and beyond**
- ▶ **Serves as estimation/planning tool for LEAs**

(Handout #10)



IDEA-B Eligibility Requirement

34 CFR 300.203(b)(2) - An LEA that relies on paragraph (b)(1)(i) of this section for any fiscal year must ensure that the amount of local funds it budgets for the education of children with disabilities in that year is at least the same, either in total or per capita, as the amount it spent for that purpose in the most recent fiscal year for which information is available and the standard in paragraph (b)(1)(i) of this section was used to establish its compliance with this section.

(Handout #1)



Enforcement

- ▶ **Payment must be made with state/local funds**
- ▶ **LEAs have 30 days to refund amounts due**
- ▶ **LEAs should not send refunds until requested by TEA**



Resources and Guidance

- ▶ **FFCR IDEA-B LEA MOE webpage:**
 - **IDEA-B LEA MOE Guidance Handbook**
 - **IDEA-B LEA MOE Determination Tool and Instructions**
 - **CEIS Handbook**
 - **SHARS Handbook**
 - **OSEP Boundy Letter**
 - **Additional Resource Links**



Additional Questions?

**For questions,
please send an email to**

Compliance@tea.state.tx.us

