

MAINTENANCE OF EFFORT: - STATUS DESCRIPTIONS - RESOLUTION OPTIONS FOR SHORTFALLS

Status Descriptions:

Pass: If the Current Shortfall section indicates Pass, it has been determined that state and local effort has been maintained. A copy should be retained for your records.

Conditional Pass: If the Current Shortfall section indicates Conditional Pass, it has been determined that state and local effort may not have been maintained. The district may be able to demonstrate that their MOE has been met by utilizing **either** the “50% Rule”, by identifying and clearly documenting allowable exceptions, or a combination of both.

Conditional Continue: If the Current Shortfall section indicates Conditional Continue, it has been determined that state and local effort may not have been maintained. The district may be able to demonstrate that MOE has been met by using **both** the “50% Rule **and** identifying and clearly documenting allowable exceptions, **or** by only identifying and clearly documenting allowable exceptions.

Continue: If the Current Shortfall section indicates Continue, it has been determined that state and local effort may not have been maintained. The district may be able to demonstrate that MOE has been met by identifying and clearly documenting allowable exceptions. The 50% Rule is not available.

Resolution Options for MOE Shortfalls:

50% Rule: Under certain circumstances, in accordance with IDEA §1413(a)(2)(C), in any fiscal year that an LEA’s flowthrough allocation (under §1411(f)) exceeds the amount the LEA received in the previous fiscal year, that LEA may reduce their required level of MOE (local, or state and local expenditures for special education) by up to 50% of the increase in the LEA’s flowthrough allocation. The LEA must spend the ‘freed-up’ local funds, on activities that are authorized under the Elementary and Secondary Education Act (ESEA) of 1965. The amount of the 50% Rule that may be used to meet MOE is found on the “All Calculations” page of the MOE worksheet next to the “50% Rule Used”.

Maintenance of Fiscal Effort – 50% Rule Assurance Statement: For LEAs utilizing the 50% Rule, an Assurance Statement must be provided indicating that the requirements in IDEA §1413(a)(2)(C) have been met. This form is provided for districts with either a Conditional Pass or Conditional Continue status.

Exceptions: An LEA may reduce the level of expenditures for the education of children with disabilities where such reduction is attributable to the allowable exceptions found in IDEA §1413(a)(2)(B). The allowable exceptions must be shown on the MOE Worksheet along with documentation that clearly details how the amount was determined.

Allowable Exceptions: In accordance with IDEA §1413(a)(2)(B), an LEA may reduce the level of expenditures for special education where the reduction is attributable to -

- the voluntary departure, by retirement or otherwise, or departure for just cause, of special education personnel;
- a decrease in the enrollment of children with disabilities;
- the termination of the obligation of the agency consistent with this part (20 USCS §§1411 et seq.), 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 educational agency, because the child –
 - has left the jurisdiction of the agency;
 - has reached the age at which the obligation of the agency to provide a free appropriate public education to the child has terminated; or
 - no longer needs such program of special education; or
- the termination of costly expenditures for long-term purchases, such as the acquisition of equipment or the construction of school facilities.