



STATE OF MICHIGAN  
DEPARTMENT OF EDUCATION  
LANSING



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PUBLIC INSTRUCTION

April 3, 2008

MEMORANDUM

TO: Directors of Special Education and Business Managers

FROM: Jacquelyn J. Thompson, Ph.D., Director  
Office of Special Education and Early Intervention Services

SUBJECT: Maintenance of Effort as required under the Individuals with Disabilities Education Act (IDEA)

This memo was sent from Sally Vaughn, Deputy Superintendent, to all Superintendents and PSA Administrators. This is a copy for Special Education Directors and Business Managers. Please distribute to LEA Directors and Business Managers.

**Background**

The federal regulation implementing the Individuals with Disabilities Education Act (IDEA) at 34 C.F.R. §300.203 requires that all local school districts, public school academies, and intermediate school districts who expend IDEA, Part B funds comply with "maintenance of effort" provisions. These provisions state that IDEA, Part B funds may not be used to reduce the level of state and local expenditures for the education of pupils with disabilities from one year to the next. Furthermore, Section 300.203 requires that the state agency have on file information from each district which expends IDEA, Part B funds, that this requirement is met.

**Purpose**

The purpose of this memorandum is to notify local school districts, public school academies and intermediate school districts that expended IDEA, Part B funds in the 2006–07 fiscal year of the process that will be followed to comply with 34 C.F.R. §300.203. The Michigan Department of Education, Office of Special Education and Early Intervention Services (MDE-OSE/EIS) will complete an initial review from information previously submitted. Each district will be notified in writing of the results of this initial review.

OSE/EIS 08-02

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Districts that have not maintained state and local effort following this initial review will be contacted to provide additional information under 34 C.F.R. §300.204, Exception to Maintenance of Effort. It is anticipated that intermediate school district personnel will work in cooperation with local school district and public school academy personnel to ensure that all federal exceptions to the maintenance of effort requirement are applied appropriately in the attempt to document state and local effort.

The Office of Special Education and Early Intervention Services will be available to provide technical assistance. The failure of the local school district, public school academy, or intermediate school district to maintain state and local effort will result in repayment with non-federal funds to the Michigan Department of Education the lesser of the effort that was not maintained, or the total of the federal allocation.

The MDE-OSE/EIS has developed a Maintenance of Effort Planning Tool to assist local school districts, public school academies, and intermediate school districts in calculating whether fiscal effort has been maintained. The interactive spreadsheet can be accessed two ways, by:

1) Clicking the following link:

[http://www.michigan.gov/mde/0,1607,7-140-6530\\_6598\\_8391-140285--,00.html](http://www.michigan.gov/mde/0,1607,7-140-6530_6598_8391-140285--,00.html)

2) or by accessing the MDE-OSE/EIS web page:

- [www.Michigan.gov/OSE-EIS](http://www.Michigan.gov/OSE-EIS)
- Select "Finance Management"
- Select "Maintenance of Fiscal Effort as required Under IDEA"

If you have further questions regarding Maintenance of Effort in general, please contact Monica Butler ([ButlerM3@Michigan.gov](mailto:ButlerM3@Michigan.gov)) or John Cloft ([CloftJ@Michigan.gov](mailto:CloftJ@Michigan.gov)), Program Finance, at (517) 241-4035.

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