



STATE OF MICHIGAN  
DEPARTMENT OF EDUCATION  
LANSING

RICK SNYDER  
GOVERNOR

MICHAEL P. FLANAGAN  
SUPERINTENDENT OF  
PUBLIC INSTRUCTION

February 2, 2012

**MEMORANDUM**

**TO:** Local School District and Intermediate School District  
Superintendents, Directors of Special Education, Business  
Managers, Public School Academy Administrators

**FROM:** Sally Vaughn, Ph.D. *Sally*  
Deputy Superintendent/Chief Academic Officer

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

**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 that 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 2010–11 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 (MDE/OSE), will complete an initial review from information previously submitted. Each district will be notified in writing of the results of this initial review.

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Districts that have not maintained state and local effort following this initial review will be able 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 MDE/OSE 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 MDE the lesser of the effort that was not maintained, or the total of the federal allocation.

The MDE/OSE 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 on the MDE/OSE webpage:

- [www.michigan.gov/ose-eis](http://www.michigan.gov/ose-eis)
- Select "Special Education"
- Select "Finance Management"
- Select "Maintenance of Effort as required Under IDEA"
- Select "IDEA 2004 Maintenance of Effort Planning Tool"

If you have questions regarding Maintenance of Effort in general, please contact Rene Richardson, OSE Program Finance, by email at: [RichardsonR2@michigan.gov](mailto:RichardsonR2@michigan.gov) or call her at: (517) 241-1235.

cc: Michigan Education Alliance