IDEA MOE

1

OVERVIEW:

MAINTENANCE OF EFFORT

IDEA / SPECIAL EDUCATION

2

Entitlement funds under IDEA are awarded on a non-competitive basis for programs and services to students with disabilities

Preschool (PS)

Provides funds for special education services to children ages 3 to 5

Flow-through (FT)

Provides funds for special education services to children ages 3 to 21

Types of IDEA Entitlement Grants

3

Definition

M

O

E

- Requirement that a certain level of state and local funding is maintained from year to year
- Different rules depending on the federal program
- Analysis of program expenditures not funded with grants

IDEA MOE Regulations

4

- SEA – IDEA prohibits a state from reducing state financial support for special education below the amount of that support for the preceding fiscal year. (34 CFR §300.163)
- LEAs – IDEA requires that LEAs must budget and expend the same amount of local funding for special education as it expended in the previous fiscal year. (34 CFR §300.203)

Four Possible Ways to Pass MOE

5

- An LEA needs to only meet ONE of the following comparison tests:

1) At least the same total combination of local and state funds were expended as the last year the LEA expended the most local and state funds on special education activities.
   - Projects 011, 019, 091 and 092 less certain revenues

2) At least the same amount of local funds were expended as the last year the LEA expended the most local funds on special education activities.
   - Fund 10 to 27 transfer

Four Possible Ways to Pass MOE

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3) At least the same student per capita amount from local and state funds were expended as the last year the LEA expended the most local and state funds on special education activities.
   - Calculation from test 1 divided by fiscal year's MOE child count (pulled from ISES)

4) At least the same student per capita amount from local funds were expended as the last year the LEA expended the most local funds on special education activities.
   - Fund 10 to 27 transfer (test 2) divided by fiscal year's MOE child count (pulled from ISES)

OSEP Clarification – September 2013

Regulations state: "as it expended in the *previous fiscal year*"

Use the previous fiscal year as a comparison, *only* if in the previous year the LEA spent the same or more than it did in the second preceding year.

Instead of saying 'previous fiscal year' we'll say 'last year met'

Exceptions for Lowering MOE

8

- Voluntary departure or departure for just cause of special education personnel.
- Decrease in enrollment of students with disabilities.
- A student with exceptional special education costs moves out of the district, ages out, or no longer needs the program.
- The purchase of costly capital, such as a special education vehicle, is paid out.
- The assumption of the student's program costs by Wisconsin's special education high cost aid for a student with a disability.
- The 50% Rule

Utilizing MOE Exceptions

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- Multiple exceptions may apply:

  $75,000 in exceptions:
  - $20,000 - decrease in the number of students with disabilities
  - $40,000 staff retirement
  - $15,000 tied to individual student who graduates

- If exceptions are approved, LEA maintains the new reduced MOE expenditure level

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IDEA Regulation Comments on §300.204

<u>OSEP Letter to White</u>

Specifically states that savings due to the negotiated reduction in staff benefits did not qualify as an exception

COST SAVINGS: Not allowed exceptions

Decrease in costs due to:

- Employee contributions to WRS
- Switching health insurance programs
- Changing the OPEB contribution
- Converting to HRA systems
- Position eliminations
- Withdrawal from shared programs
- Transportation contract savings

Wisconsin Department of Public Instruction

Local Maintenance of Effort

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Eligibility Test	Compliance Test
• Local special education budget amounts compared to a prior year's actual expenditures (last year met)	• Local special education actual current year expenditures compared to a prior year's actual expenditures (last year met)
• Determines whether an LEA is "eligible" to receive the IDEA grant	• Determines whether an LEA is in final compliance with the MOE requirement

Wisconsin Department of Public Instruction

How DPI uses existing data to monitor MOE Eligibility & Compliance

13

Fiscal Data - Budget

PI 1504
Special Education Budget Report

Submitted to DPI's School Financial Services Team

(Due in December for current fiscal year)

- LEAs submit all Fund 27 (special education) planned expenses including locally funded and grant funded expenses.
- Usually submitted by the LEA's Business Office.
- Data is used in LEA's MOE calculation to determine IDEA grant eligibility.

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Fiscal Data- Expenditures

PI 1505
Special Education Annual Report

Submitted to DPI's School Financial Services Team

(Due in September for previous fiscal year)

- LEAs submit all Fund 27 (special education) expenses including locally funded and grant funded expenses.
- Usually submitted by the LEA's Business Office.
- Data is used to determine LEA's state special education categorical aid ***and*** IDEA MOE compliance.

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Child Count Data

Individual Student Enrollment System (ISES)

Submitted to DPI's Data Management & Reporting Team

- October 1 Child Count
- Looks at an LEA's "financial" responsibility for the student
- Used to determine a "per capita" expenditure amount for purposes of MOE
- Used to determine amount for "decrease in students with disabilities" exception

Wisconsin Department of Public Instruction

Testing for Eligibility and Compliance

Web-based MOE Reports

17

- New layout launched February 2014
- Accessed through the Special Education web portal
- Pulls financial data from the 1504 and 1505 special education reports and ISES child count information
- Calculates the four MOE tests
- Allows the LEA to submit exceptions if failing all four tests
- Allows the LEA to run scenarios to determine future compliance

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Brand New Layout

Most Recent Fiscal Year Top of the List

View the Reports

	Eligibility (Actual to Budget)		Compliance (Actual to Actual)		
Fiscal Year	Status	Actions	Status	Report	View Exceptions
2013 2014 Open	MOE Met	Elig Report	Missing Data	Compl Report	$13,508
2012-2013 Open	MOE Met	Elig Report	MOE Met	Compl Report	$6,027
2011-2012 Closed	MOE Met	Elig Report	MOE Met	Compl Report	$100,560
2010-2011 Closed	MOE Met	Elig Report	MOE Met	Compl Report	$25,782
2009-2010 Closed	MOE Met	Elig Report	MOE Met	Compl Report	$65,028

Current Status

Access to the Exceptions

Exceptions apply to both Eligibility and Compliance

A

F

B

C

D

E

Maintenance of Effort for Compliance has been met.

	Test 1	Test 2	Test 3	Test 4
Difference:	($183,796.92)	$23,267.67	($302,258.15)	($244,149.50)
Per Student:			($1,280.75)	($1,034.53)
MOE Result:	Met with Exceptions	Met	Met with Exceptions	Met with Exceptions

Compliance ▾ | District Home | Exceptions

Approved Exceptions

Approved Administrative Exceptions	$290,464.82
Exception for Decreased Enrollment of Students with Disabilities (see below)	$11,793.34
Total Approved Exceptions	$302,258.16

Test 1: Current Year State/Local Actual Compared to Amounts from Last Year Test 1 was Met

		State/Local Cost	Less Revenue	Actual State/Local
Current Year:	2013	$3,080,802.04	$296,643.23	$2,804,058.81
Last Year Met:	2011	$3,390,345.57	$410,499.04	$2,907,055.73
			Difference:	($183,796.92)

Test 2: Current Year Local Only Compared to Amounts from Last Year Test 2 was Met

		Local Only Cost
Current Year:	2013	$1,977,849.50
Last Year Met:	2012	$1,954,581.83
	Difference:	$23,267.67

Test 3: Current Year State/Local Actual Per Capita Compared to Per Capita from the Last Year Test 3 was Met

		Actual State/Local	MOE Child Count	Actual State/Local Per Capita
Current Year:	2013	$2,004,050.01	236	$11,001.61
Last Year Met:	2011	$2,987,855.73	237	$13,162.36
		($13,162.36 * 236)	Difference:	($1,280.75)
		$3,106,316.96	Aggregate Diff:	($302,258.15)

Test 4: Current Year Local Only Per Capita Compared to Per Capita from the Last Year Test 4 was Met

		Local Only Costs	MOE Child Count	Local Only Per Capita
Current Year:	2013	$1,977,849.50	236	$8,380.72
Last Year Met:	2011	$2,137,261.25	237	$9,415.25
		($9,415.25 * 236)	Difference:	($1,034.53)
		$2,221,999.00	Aggregate Diff:	($244,149.50)

Compliance Report

A

In this example, the LEA passed MOE compliance without the need for exceptions because Test #2 was met

Status of Overall MOE Compliance

Maintenance of Effort for Compliance has been met.

	Test 1	Test 2	Test 3	Test 4
Difference:	($183,796.92)	$23,267.67	($302,258.15)	($244,149.50)
Per Student:			($1,280.75)	($1,034.53)
MOE Result:	Met with Exceptions	Met	Met with Exceptions	Met with Exceptions

Compliance ▾ | District Home | Exceptions

Status of individual comparisons

Added a per capita amount AND aggregate

The aggregate amount is the actual "met" or "failed by" amount

B

Test 1: Current Year State/Local Actual Compared to Amounts from Last Year Test 1 was Met

		State/Local Cost	Less Revenue	Actual State/Local
Current Year:	2013	$3,089,602.04	$285,543.23	$2,804,058.81
Last Year Met:	2011	$3,398,345.57	$410,489.84	$2,987,855.73
			Difference:	($183,796.92)

Financial Details: State/L

Account #	Account Description
27E158200100011	Salaries
27E158200200011	Social Security
27E158200342011	Employee Travel
27E158600100011	Salaries
27E158600211011	Retirement-Employee's
27E158600212011	Retirement-Employer's
27E158600220011	Social Security
27E158600230011	Life Insurance
27E158600240011	Health Insurance
27E158600250011	Other Insurance
27E158800100011	Salaries
27E158800100019	Salaries $17,542.72
27E158800211011	Retirement-Employee's Share Paid by Employer $51,704.00
27E158800211019	Retirement-Employee's Share Paid by Employer $1,030.13
27E158800212011	Retirement-Employer's Share $41,760.13
27E158800212019	Retirement-Employer's Share $833.09

Financial Details: Revenue Actual 2010-2011

Account #	Account Description	Amount
27R000000347000	Open Enrollment Special Education Tuition From Wisconsin School Districts	$210,371.66
27R000000349000	Payments for Other Services Provided Wisconsin School	$18,497.51
27R000000780000	Fed Aid from State Agencies Other Than DPI (include Medicaid & Medicaid Admin Claiming (MAC) funds)	$145,181.42
27R000000871000	Microsoft Settlement, Workers Comp Dividends)	$38,439.25
		$110,409.04

List of revenue sources used in MOE calculation: http://sped.dpi.wi.gov/files/sped/pdf/moe-E-R-CC.pdf

Medicaid Revenue – NEW CODING!!

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Beginning with the 2013-14 fiscal year

Type of Revenue	From Any Fiscal Year
MAC from Forward Health	Fund 10, Source 780
MAC transited through CESA / CCDEB	Fund 10, Source 581
Cost Settlement from Forward Health	Fund 10, Source 780
Cost Settlement from CESA / CCDEB	Fund 10, Source 581
Interim Billing (Individual Student Billing) from Forward Health	Fund 27, Source 780
Interim Billing (Individual Student Billing) transited through CESA / CCDEB	Fund 27, Source 581

http://sped.dpi.wi.gov/files/sped/pdf/1-31-14_idea-listserv.pdf

C

2012-2013

Test 2: Current Year Local Only Compared to Amounts from Last Year Test 2 was Met

		Local Only Cost
Current Year:	2013	$1,977,849.50
Last Year Met:	2012	$1,954,581.83
	Difference:	$23,267.67

2011-2012

Maintenance of Effort for Compliance has been met.

	Test 1	Test 2	Test 3	Test 4
Difference:	($192,834.02)	($182,679.42)	($324,457.61)	($276,832.42)
Per Student:			($1,369.02)	($1,168.07)
MOE Result:	Failed ($9,577)	Met with Exceptions	Failed ($141,201)	Failed ($93,576)

D

Test 3: Current Year State/Local Actual Per Capita Compared to Per Capita from the Last Year Test 3 was Met

		Actual State/Local	MOE Child Count	Actual State/Local Per Capita
Current Year:	2013	$2,804,058.81	238	$11,881.61
Last Year Met:	2011	$2,987,855.73	227	$13,162.36
		($13,162.36 * 236)	Difference:	($1,280.75)
		$3,106,316.96	Aggregate Diff:	($302,258.15)

Calculation from Test 1

Child Count Break Down

Resident District = Submitting District:	216
Plus Reason Out of District Students:	
Other Resident (RES):	0
Other Submitting (SUBM):	0
Chapter 220 (C220):	1
Tuition Waiver (WAIV):	5
Residential Care Center (RCC):	0
Base Total for Both Counts:	222
Add Students Open Enrolled Into District:	31
October 1 Child Count Total:	253
Add Students Open Enrolled Out of District:	5
Maintenance of Effort Child Count Total:	227

E

Test 4: Current Year Local Only Per Capita Compared to Per Capita from the Last Year Test 4 was Met				
		Local Only Costs	MOE Child Count	Local Only Per Capita
Current Year:	2013	$1,977,849.50	236	$8,380.72
Last Year Met:	2011	$2,137,261.25	227	$9,415.25
		*($9,415.25 * 236)*	*Difference:*	**($1,034.53)**
		$2,221,999.00	*Aggregate Diff.*	**($244,149.50)**

For both per capita calculations, the last year met was 2011. Between 2011 and 2013 there was an increase in students with disabilities. However, between 2012 and 2013 there was a decrease in students with disabilities. LEAs should get credit for a decrease in students with disabilities between two fiscal year, so...

Automatically Applied Exception

F

Exception Details: Decreased Enrollment of Students with Disabilities						
		State/Local Cost	Less Revenue	Actual	MOE Child Count	Per Capita
Current Year:	2013	$3,089,602.04	$285,543.23	$2,804,058.81	236	$11,881.61
Prior Year:	2012	$3,327,249.40	$532,227.69	$2,795,021.71	237	$11,793.34
		*Decrease * Per Capita =*	*(1 * $11,793.34) =*	**Exception Amt:**		**$11,793.34**

Approved Exceptions	
Approved Administrative Exceptions	$290,464.82
Exception for Decreased Enrollment of Students with Disabilities (see below)	$11,793.34
Total Approved Exceptions	$302,258.16

Accessing the Exceptions Screen

Maintenance of Effort for Compliance has been met.				
	Test 1	Test 2	Test 3	Test 4
Difference:	($183,796.92)	$23,267.67	($302,258.15)	($244,149.50)
Per Student:			($1,280.75)	($1,034.53)
MOE Result:	Met with Exceptions	Met	Met with Exceptions	Met with Exceptions

Compliance ▾ | District Home | Exceptions

- Special education staff voluntary departure
- Student with costly services left district, aged out or graduated
- Student with costly services has a change in IEP
- Capital expenditures (vehicle purchase, remodeling, etc.)

Voluntary Departure of Special Education Staff – Charged to 011 or 019

First Name: | Last Name:

Salary Account: | Salary Amount:

Fringe Account: | Fringe Amount:

Reason For Leaving*: ▾

*Note: Layoff of Special Education staff is not a departure due to just cause.
When identifying fringe costs, roll up the 200 000 series when the function is the same.

Save

Did a special ed staff person retire at the end of 2012?

Did a special ed staff person take a job at another LEA at the end of 2012?

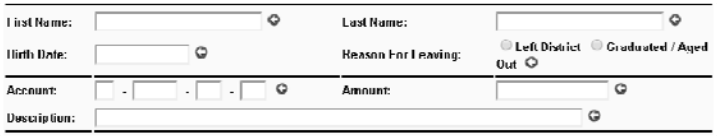
Did a special ed staff person take a job in general ed at the end of 2012?

Did a special ed staff person retire during 2013 (mid-year)?

Did a special ed staff person take a voluntary paid leave of absence in 2012? Was the position filled in with a substitute? (Net Difference)

Did a special ed staff person take a voluntary unpaid leave of absence in 2013? Was the position filled in with a substitute? (Net Difference)

Departure of Student (Left LEA, Graduated, or Aged Out) – Costs previously charged to 011 or 019

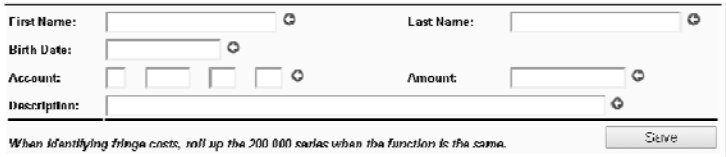


Aggregate cost of the student specific services must be double the flat rate open enrollment tuition (usually around $6,000)

Review the students with disabilities who graduated, aged out, or moved away from the district of residence in the last two years. Did the student have any of the following costs (charged locally):

- One-on-one Para or Attendant Care Aide (even if just part of the day)
- Specialized Transportation
- Private or public placement (by the IEP team) tuition
- Educational interpreter
- Hearing Impaired or Visually Impaired Teacher

Change of Services in Student IEP – Charged to 011 or 019



Aggregate cost of the student specific services that were changed in the IEP must be double the flat rate open enrollment tuition (usually around $6,000)

Review the students with disabilities who were enrolled in the district in the prior fiscal year. Since that year, have any of the following services for a student changed:

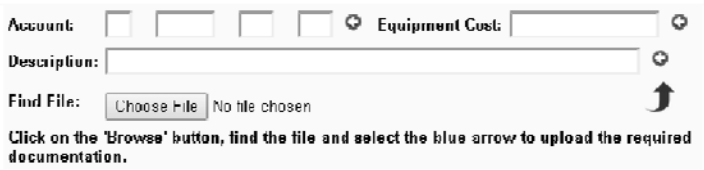
Change in Placement:

- Transitions out of an off-site early childhood program into Kindergarten
- Private or public tuition – such as an alternative setting

Student Specific Services:

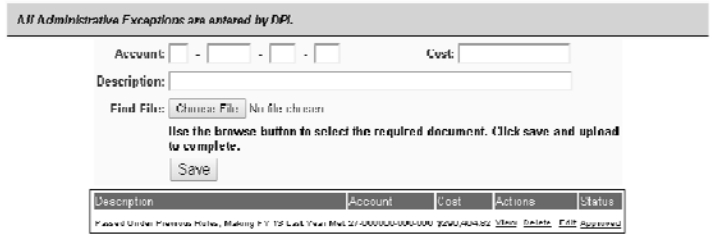
- Transportation: student was on an individual route but now is on regular route
- Student received cochlear implant and no longer needs educational interpreter

Change of Services in Student IEP – Charged to 011 or 019



To qualify, the capital expenditure must have a per unit cost of $5,000 or more. Supporting documentation of cost includes a purchase order, invoice, and voucher for the capital purchase identified.

Administrative Exceptions – Making LEAs Last Year Met '2013'



Fiscal year 2013 was completed prior to OSEP's clarification. If an LEA passed one of the four tests in FY 2013, then we added an administrative exception so that all four tests 'passed' for 2013, making this the last year met. For those LEAs, FY 2014 will be compared to FY 2013 for eligibility and compliance. The attachment with this exception is a screen shot of the LEA's MOE report from the former system.

Maintenance of Effort for Compliance has been met.

	Test 1	Test 2	Test 3	Test 4
Difference:	($293,128.15)	($302,641.08)	($145,487.01)	($265,853.77)
Per Student:			($2,273.23)	($4,153.97)
MOE Result:	Met with Exceptions	Met with Exceptions	Met with Exceptions	Met with Exceptions

Compliance ▾ District Home Exceptions

Approved Exceptions

Approved Staff Change Exceptions	$14,989.07
Approved Student Leaving Exceptions	$65,574.13
Approved Change in Student IEP Exceptions	$52,234.33
Approved Administrative Exceptions	$74,807.01
Exception for Decreased Enrollment of Students with Disabilities (see below)	$147,641.20
Total Approved Exceptions	$355,255.74

DPI-approved exceptions appear in the MOE report (both eligibility and compliance) and change the status of tests from failed to met.

Eligibility Report - Passing

In this example, the LEA passed MOE eligibility without the need for exceptions because Tests # 1 and #2 were met

Status of Overall MOE Eligibility

Maintenance of Effort for Eligibility has been met.

	Test 1	Test 2	Test 3	Test 4
Difference:	$65,573.62	$85,993.87	($145,154.36)	($72,792.44)
Per Student:			($994.21)	($498.58)
MOE Result:	Met	Met	Failed ($136,190)	Failed ($63,828)

Status of individual comparisons

The LEA may wish to add exceptions to pass Tests #3 and #4, or in future years, the last year met will be a non-preceding year

Eligibility Report - Failing

In this example, the LEA failed MOE eligibility and must submit exceptions, change its 1504 SE budget or provide DPI with an assurance that compliance will be met

Maintenance of Effort for Eligibility has failed. See details below.

	Test 1	Test 2	Test 3	Test 4
Difference:	($4,070.75)	($8,976.13)	($4,071.00)	($8,976.00)
Per Student:			($81.42)	($179.52)
MOE Result:	Failed ($4,071)	Failed ($8,976)	Failed ($4,071)	Failed ($8,976)

Eligibility ▾ District Home Exceptions

Scenario Calculator

Replace the values below and click recalculate to calculate maintenance of effort. Click reset to restore the actual values.

Child Count	State/Local Cost	Revenue	Local Only Cost	
50	$268,792.00	$15,000.00	$177,707.00	Recalculate Reset

Change the numbers to recalculate the four tests

Eligibility Report – Passing due to Child Count Scenario Change

Maintenance of Effort for Eligibility has been met.

	Test 1	Test 2	Test 3	Test 4
Difference:	($4,070.75)	($8,976.13)	$1,086.26	($5,242.34)
Per Student:			$22.17	($106.99)
MOE Result:	Met with Exceptions	Failed ($3,819)	Met	Failed ($85)

Eligibility ▾ District Home Exceptions

Approved Exceptions

Exception for Decreased Enrollment of Students with Disabilities (see below)	$5,157.26
Total Approved Exceptions	$5,157.26

Scenario Calculator

Replace the values below and click recalculate to calculate maintenance of effort. Click reset to restore the actual values.

Child Count	State/Local Cost	Revenue	Local Only Cost	
49	$268,792.00	$15,000.00	$177,707.00	Recalculate Reset

A decrease of even one student has a huge impact on the MOE calculation results.

Compliance Report – 2r Charter Schools

2r Charter Schools do not have an easy to determine local fund source, so we begin by examining Test 1 and Test 3 only

Maintenance of Effort for Compliance has been met.

	Test 1	Test 3
Difference:	$83,376.74	($29,582.55)
MOE Result:	Met	Failed ($29,583)

Compliance ▾ | District Home | Exceptions

Every other part of the MOE process is the same.

Despite Exceptions, Failing MOE

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Failing Eligibility Test	Failing Compliance Test
• LEA may not receive an IDEA allocation for fiscal year tested. • May continue to access any carryover funds from previous year	• LEA must repay an amount equal to the short-fall • Must use LOCAL funds for repayment • Possible single audit finding

Wisconsin Department of Public Instruction

Failing MOE Compliance

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- Expenditure levels are not "reset" – the last year met will be the last year the LEA passed one of the comparisons.
- Changes to the immediate prior fiscal year ends September 30. Always. Shifting funds previously claimed under the grant to local funds must be done prior to September 30.

Wisconsin Department of Public Instruction

Special Education/Business Office TOGETHER

40

There has never been a time when communication between the special education office and the business office has been more important.

Wisconsin Department of Public Instruction

Special Education/Business Office TOGETHER

- Are both offices familiar with:
  - DPI's technical assistance?
  - The account numbers used in the calculation?
  - The special education local budget?
  - The child count numbers and their accuracy?
  - The difference between actual financials as compared to the budgeted financials?
  - Any known MOE exceptions?

Understand Where Expenses Are Coded

42

- Has there been analysis done of how expenses are being coded, or is it a practice of "always done that."
- Are IDEA funds being carried over from year to year, or used on non-essential items, while the local special education costs are inflating?
- When unplanned expenditures arise, how is where the costs charged examined?

Understand Why Effort Was Reduced

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- Plan ahead – understand the "why" if local costs are going to decrease
- If the "why" doesn't include allowable exceptions, develop long-term plans
  - Move special education costs off IDEA grant to local to boost level back up to required amount
  - Use the freed-up IDEA funds on collaborative initiatives!
    - Coordinated Early Intervening Services
    - Title I Schoolwide Set-Aside
    - Professional Development or Tuition Reimbursement

What's Next: DPI

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- MOE guidance will be updated to reflect the new software and OSEP clarifications.
- Tweaking the software so LEAs that passed in FY 2013 will have that year as last year met in FY 2014.
- Finish FY 2013 compliance examination. Currently 30 LEAs are failing MOE compliance.
- Finish FY 2014 eligibility examination.

What's Next: LEAs

45

- Check out the new software
- Verify that FY 2013 compliance has been met (if not, DPI will be making contacts soon)
  - Verify that exceptions submitted under the old software are still there – they should be, but glitches happen
- Verify that FY 2014 eligibility is being met (if not, DPI will be making contacts soon)
- Provide feedback – let us know what you like / dislike

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