IDEA MOE

1

OVERVIEW:

MAINTENANCE OF EFFORT

IDEA / SPECIAL EDUCATION

Entitlement funds under IDEA are awarded on a noncompetitive 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



Definition

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0

- 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



- 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)
- o 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



- 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



- 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.
- o 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.
- o The 50% Rule

Utilizing MOE Exceptions



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



IDEA Regulation Comments on §300.204

<u>OSEP Letter to</u> White

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

Local Maintenance of Effort



Eligibility Test

 Local special education budget amounts compared to a prior year's actual expenditures (last year met)

Determines whether an LEA is "eligible" to receive the IDEA grant

Compliance Test

 Local special education actual current year expenditures compared to a prior year's actual expenditures (last year met)

• Determines whether an LEA is in final compliance with the MOE requirement

How DPI uses existing data to monitor MOE Eligibility & Compliance



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.



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.



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

Testing for Eligibility and Compliance

Web-based MOE Reports



- 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

MOE Menu Layout

Most Recent Fiscal Year Top of the List

View the Reports

	Eligibility (Ad	ctual to Budget)	Compliance	'Actual to Actual)	Exceptions	
Fiscal Year	Status	Report	Status	Report	All	Approved
2014-2015 Open	MOE Met	Elig Report	Missing Data	Compl Report	\$0	Enter Exceptions
2013-2014 Closed	MOE Met	Elig Report	MOE Met	Compl Report	\$85,594	\$85,594
2012-2013 Closed	MOE Met	Elig Report	MOE Met	Compl Report	\$165,289	\$165,289
2011-2012 Closed	MOE Met	Elig Report	MOE Failed	Compl Report	\$9,025	\$9,025
2010-2011 Closed	MOE Met	Elig Report	MOE Met	Compl Report	\$77,193	\$77,193
2009-2010 Closed	MOE Met	Elig Report	MOE Met	Compl Report	\$11,258	\$11,258

Current Status

Access to the Exceptions

Exceptions apply to both Eligibility and Compliance

Maintenance of Effort for Compliance has been met.						
		Test 1	Test 2		Test 3	Test 4
Difference:	(\$18	3,796.92)	\$23,267.6	•	302,258.15)	(\$244,149.50)
Per Student:					\$1,280.75)	(\$1,034.53)
MOE Result:	Met wit	h Exceptions	Met	Met w	ith Exceptions	Met with Exceptions
Compliance ▼	District Hom	Exceptions				
			Approved E	Exceptions		
Approved Admi	inistrative E	xceptions				\$290,464.82
Exception for D	ecreased E	nrollment of Stud	lents with Disabiliti	ies (see below)		<u>\$11,793.34</u>
Total Approved	Exceptions	•				\$302,258.16
	Test 1: Curi	rent Year State/L	ocal Actual Compa	red to Amounts f	rom Last Year Test	t 1 was Met
		State/Local Cost	Less Revenue	Actual State/Loca	al	
Current Year:	2013	\$3,089,602.04	\$285,543.23	\$2,804,058.8	1	
Last Year Met:	2011	\$3,398,345.57	\$410,489.84	\$2,987,855.7	3	
			Difference:	(\$183,796.92)	
	Test 2:	Current Year Loc	al Only Compared	to Amounts from	Last Year Test 2 w	vas Met
				Local Only Cos		
Current Year:	2013			<u>\$1,977,849.5</u>		
Last Year Met:	2012			<u>\$1,954,581.8</u>	_	
			Difference:	\$23,267.6	7	
Test 3: 0	Current Yea	r State/Local Act	ual Per Capita Com	pared to Per Cap	ita from the Last Y	ear Test 3 was Met
	Α	ctual State/Local	MOE Child Count			
Command Wales	2042	#2.004.050.04	220	Per Capit		
Current Year:	2013	\$2,804,058.81	236	\$11,881.6		
Last Year Met:		\$2,987,855.73	227	\$13,162.3		
	(\$	13,162.36 * 236)	Difference:	(\$1,280.75		
		\$3,106,316.96	Aggregate Diff:	(\$302,258.15)	
Test	4: Current	Year Local Only I	Per Capita Compar	ed to Per Capita f	rom the Last Year	Test 4 was Met
	l	_ocal Only Costs	MOE Child Count	Local Only Pe Capit		
Current Year:	2013	\$1,977,849.50	236	\$8,380.7		
Last Year Met:		\$2,137,261.25	227	\$9,415.2		
	6	\$9,415.25 * 236)	Difference:	(\$1,034.53		
	,	\$2,221,999.00	Aggregate Diff:	(\$244,149.50))	

Compliance Report

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

Displays a per capita amount AND aggregate

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



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

State/Local Cost **Current Year:** 2013 \$3,089,602.04

Last Year Met: 2011 \$3,398,345.57

Salaries

Retirement-Employee's Share Paid by Employer

Retirement-Employee's Share Paid by Employer

Retirement-Employer's Share

Retirement-Employer's Share

27E158000100019

27E158000211011

27E158000211019

27E158000212011

27E158000212019

Less Revenue Actual State/Local

\$285,543.23 \$2,804,058.81

<u>\$410,489.84</u> \$2,987,855.73

Difference: (\$183,796.92)

Financial Details: State/l		Fi	nancial Details: Revenue Actual 2010-2011	
Account #	Account Description	Account #	Account Description	Amount
27E156200100011	Salaries	270000000047000	Open Enrollment Special Education Tuition From Wisconsin	#040 074 CC
27E156200220011	Social Security	27R000000347000	School Districts	\$210,371.66
27E156200342011	Employee Travel	27R000000349000	Payments for Other Services Provided Wisconsin School	#1C 407 E1
27E156600100011	Salaries		Districts	\$16,497.51
27E156600211011	Retirement-Employee's Sha	27R000000780000	Fed Aid from State Agencies Other Than DPI (include	\$145,181.42
27E156600212011	Retirement-Employer's Skor	27 KUUUUUU7 00000	Medicaid & Medicaid Admin Claiming (MAC) funds)	\$145,101.42
27E156600220011	Social Security	27R000000971000	Refund of Prior Year Expenses (ex. Insurance, CESA,	\$38,439.25
27E156600230011	Life Insurance	27 K000000037 1000	Microsoft Settlement, Workers Comp Dividends)	\$30 ₁ 435.25
27E156600240011	Health Insurance			\$410,489.84
27E156600250011	Other Insurance		\$369.99	
27E158000100011	Salaries		\$895,751.46	

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

\$17,542.72

\$51,784.00

\$1,033.13

\$41,760.13

\$833.09

Medicaid Revenue – NEW CODING!!



Beginning with the 2013-14 fiscal year

Type of Revenue	From <u>Any</u> 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

Medicaid Revenue – NEW CODING!!



Type of Revenue	From Current or Immediate Prior Fiscal Year
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

Type of Revenue	Anything Older
Interim Billing from Forward Health	Fund 10, Source 780
Interim Billing through CESA / CCDEB	Fund 10, Source 581



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

<u>\$1,954,581.83</u>

Difference: \$23,267.67

2011-2012

Last Year Met: 2012

Maintel ance 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)



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 \$2,804,058.81 \$2,987,855.73 \$227 \$13,162.36 \$13,162.36 \$3,106,316.96 Aggregate L #: (\$302,258.15)

Calculation from Test 1

2013

Current Year:

Last Year Met: 2011

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



Test 4: Current Year Local On	lv Per Capita Con	npared to Per Car	pita from the Last	t Year Test 4 was Met

		Local Only Costs	MOE Child Count	Local Only Per
				Capita
Current Year:	2013	\$1,977,849.50	<u>236</u>	\$8,380.72
Last Year Met:	2011	\$2,137,261.25	<u>227</u>	\$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



Exception Details: Decreased Enrollment of Students with Disabilities

Current Year: 2013 Prior Year: 2012 State/Local Cost \$3,089,602.04 Less Revenue \$285,543.23 Actual \$2,804,058.81 MOE Child Count

236

Per Capita \$11,881.61 \$11,793.34

\$3,327,249.40

\$532,227.69

\$2,795,021.71

Exception Amt:

\$11,793.34

Approved Exceptions

Decrease * Per Capita = (1 * \$11,793.34) =

Approved Administrative Exceptions

Exception for Decreased Enrollment of Students with Disabilities (see below)

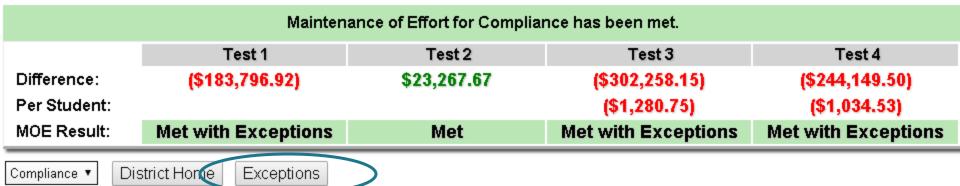
Total Approved Exceptions

\$290,464.82

\$11,793.34

\$302,258.16

Accessing the Exceptions Screen



- 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*:		▼	
	ducation staff is not a departure	_	Save

Did a special ed staff person retire at the end of 2014?

Did a special ed staff person take a job at another LEA at the end of 2014?

Did a special ed staff person take a job in general ed at the end of 2014?

Did a special ed staff person retire during 2015 (mid-year)?

Did a special ed staff person take a voluntary paid leave of absence in 2014? Was the position filled in with a substitute? (Net Difference)

Did a special ed staff person take a voluntary unpaid leave of absence in 2015? 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

First Name:	₩ ₆	Last Name:	
Birth Date:		Reason For Leaving:	Left DistrictGraduated /Aged Out
Account:		Amount:	
Description:			

Aggregate cost of the student specific services must be greater than the flat rate open enrollment tuition (\$6,635 in 2014-15)

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

First Name:	•	Last Name:	0
Birth Date:	•		
Account:		Amount:	C
Description:			•
When identifying	e. Save		

Aggregate cost of the student specific services that were changed in the IEP must be greater than the flat rate open enrollment tuition (\$6,635 in 2014-15)

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:

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

Student Specific Services:

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

Capital Expenditure – Charged to 011 or 019

Account:	- Cost:
Description:	
Select File:	Choose File No file chosen
	Click 'Choose File' to select the required document. Click save to complete the upload.
	Save

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.

	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 ▼ Exceptions Approved Exceptions Approved Staff Change Exceptions \$14,999.07 Approved Student Leaving Exceptions \$65,574,13 Approved Change in Student IEP Exceptions \$52,234.33

District Home

Approved Administrative Exceptions

Exception for Decreased Enrollment of Students with Disabilities (see below) \$147,641.20

<u>\$74,807.01</u>

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.

Compliance Report - Passing

In this example, the LEA passed MOE compliance without the need for exceptions because
Tests #2 and #4 were met

Status of Overall MOE Compliance



Maintenance of Effort for Compliance has been met.

Test 4 Test 1 Test 2 Test 3 Difference: (\$1,635.83) \$119,866.42 (\$152,628.75) \$19,104.00 Per Student: (\$872.16) \$109.17 MOE Result: Failed (\$1,636) Met Failed (\$152,629) Met

The LEA may wish to add exceptions to pass Test #1, or in future years, the last year met will be a non-preceding year



Eligibility Report - Passing

Met

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

MOE Result:





	Maintei	nance of Εποιτ for Eligibili	ty nas 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)

Met

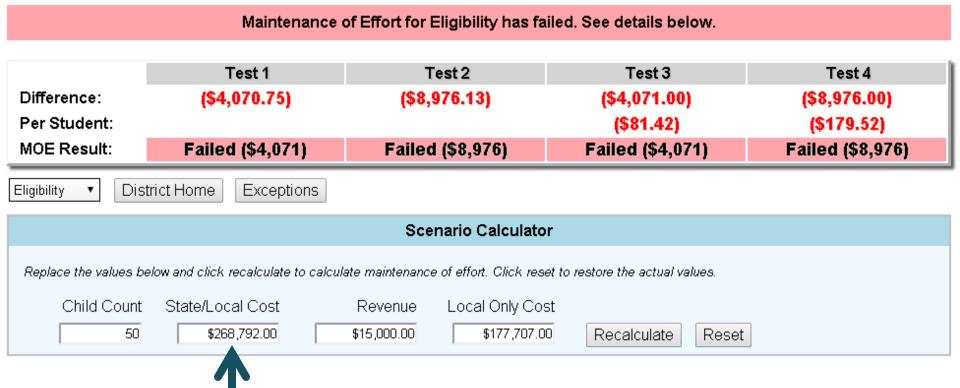
The software will be updated for FY 2015 so
Test 3 and Test 4 will look at the immediate prior year if the corresponding
Test 1 or Test 2 were met

Failed (\$63,828)

Failed (\$136,190)

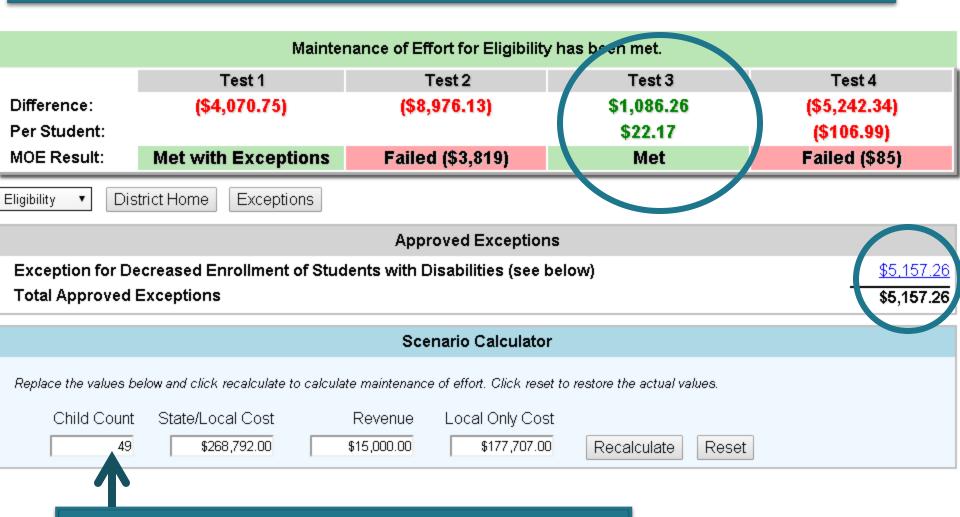
Eligibility Report - Failing

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



Change the numbers to recalculate the four tests

Eligibility Report – Passing due to Child Count Scenario Change



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

Compliance Report – 2r Charter Schools

Exceptions

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

District Home

Compliance ▼



Every other part of the MOE process is the same.

Despite Exceptions, Failing MOE



Failing Eligibility Test

- LEA may not receive an IDEA allocation for fiscal year tested.
- May continue to access any carryover funds from previous year

Failing Compliance Test

- LEA must repay an amount equal to the short-fall
- Must use LOCAL funds for repayment
- Possible single audit finding

Failing MOE Compliance



- 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.

Special Education/Business Office TOGETHER





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

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?
 - O Any known MOE exceptions?

Understand Where Expenses Are Coded



- 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



- 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: LEAs



 Verify that FY 2015 eligibility is being met (if not, DPI will be making contacts soon)

Technical Assistance



IDEA MOE Technical Assistance Page

http://sped.dpi.wi.gov/sped_grt-moe

To review your Maintenance of Effort eligibility status with Rachel Zellmer, please contact Marge Schenk at marjorie.schenk@dpi.wi.gov. She will schedule a conference call time.