

Maintenance of Effort

Office of Grants Management

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MISSISSIPPI
DEPARTMENT OF
EDUCATION

mdek12.org

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VISION

To create a world-class educational system that gives students the knowledge and skills to be successful in college and the workforce, and to flourish as parents and citizens

MISSION

To provide leadership through the development of policy and accountability systems so that all students are prepared to compete in the global community



State Board of Education STRATEGIC PLAN GOALS

3

1

ALL Students Proficient and Showing Growth in All Assessed Areas

EVERY School Has Effective Teachers and Leaders

4

2

EVERY Student Graduates from High School and is Ready for College and Career

EVERY Community Effectively Uses a World-Class Data System to Improve Student Outcomes

5

3

EVERY Child Has Access to a High-Quality Early Childhood Program

EVERY School and District is Rated "C" or Higher

6

Please use the question box or email additional questions to MCAPS@mdek12.org

Agenda





Training Agenda

6

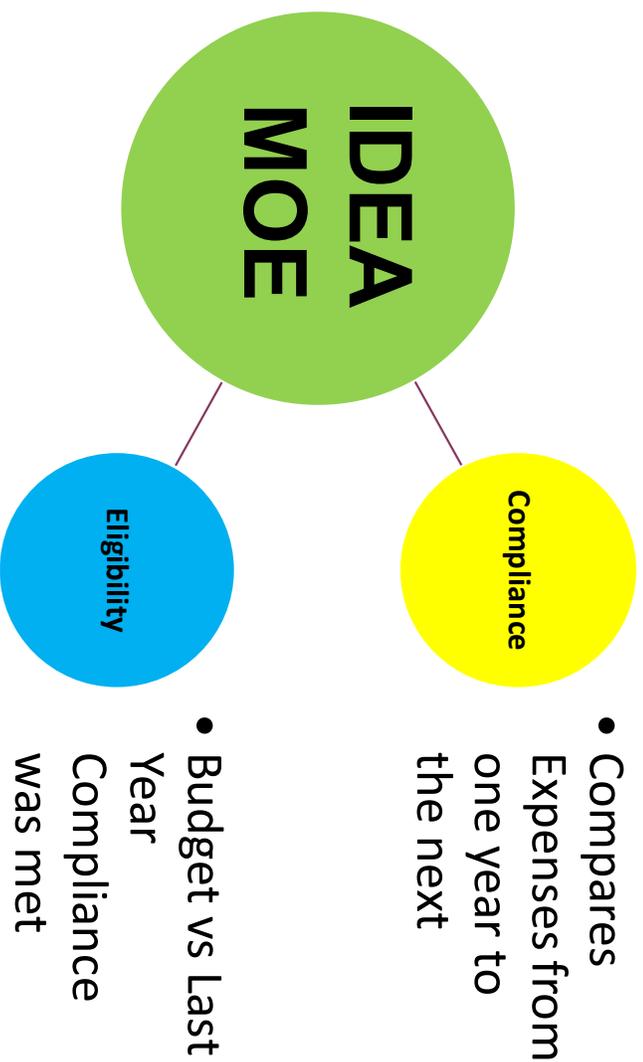
- Maintenance of Effort
 - IDEA
 - Eligibility
 - Compliance
 - Title I

Maintenance of Effort - IDEA

Michael Gibbons, Grants Manager

Overview of IDEA - MOE

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34 CFR §§300.203-300.204. **(b) Compliance Standard:** Funds provided to an LEA under Part B of the Act must not be used to reduce the level of expenditures for the education of children with disabilities made by the LEA from local funds below the level of those expenditures for the preceding fiscal year

- Must expend at least the same amount or more of the previous fiscal year's state and local expenditures from one year to the next

March 2022 – OGM will begin to review each LEAs

FY21 expenditures compared to FY20 expenditures

MOE (IDEA) Compliance Formula

<u>Column 1</u>	<u>Column 2</u>	<u>Column 3</u>
<p>Fund: 1120 - District Maintenance</p> <p>GL = 900 (Expenditures)</p> <p>Expenditure Functions:</p> <p>1220 - Special Education Programs 2150 - 2159 - Speech Path & Audiology Ser.</p> <p>Object Codes:</p> <p>All objects EXCEPT 700's</p>	<p>Fund: 1130 - Special Education</p> <p>GL = 900 (Expenditures)</p> <p>Expenditures</p> <p>1000 – 1999 – Instruction 2000 – 2999 – Support Services 3000 - 3999 - Non-Instructional Services</p> <p>Object Codes:</p> <p>All objects EXCEPT 700's</p>	<p>Column 1 <u>PLUS</u> Column 2</p>

Query the financial information according to the SPED MOE formula from your FETS data for FY21 (SY20-21) and compare expenditures to FY20 (SY19-20)

- If the expenditures from FY21 is more than FY20 then MOE Compliance has been met.
- If the expenditures from FY21 is less than FY20 then MOE Compliance has not been met.
- NOTE: You do not have to wait until the end of school year to compare expenditures for compliance

Example of MOE (IDEA) Compliance Calculation

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Gibbons School District

FY20 (SY19-20)	\$1,190,099.88
FY21 (SY20-21)	\$2,038,189.00
Increase	\$848,089.12

Gibbons School District has met MOE 23 Compliance

Midnight Early School District

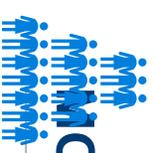
FY20 (SY19-20)	\$1,190,099.88
FY21 (SY20-21)	\$1,118,299.88
Decrease	(\$71,800.00)

Midnight Early School District did not meet MOE 23 Compliance

Exceptions for not meeting MOE Compliance

- A departure of staff and not replaced during the school year and/or departure of staff replaced by lower qualified staff
- A decreased in enrollment of children with disabilities
- An exceptionally costly special education program provided to a particular special education student for which the program is no longer needed
- A costly expenditure for long-term purchase was terminated during the prior school year
- An assumption of cost by the high-cost fund operated by the SEA

NOTE: Departure of staff is the most common reason for not meeting MOE Compliance



Departure of Staff (Most Common)

- Compare your state and local paid teachers from FY20 to FY21
 - Identify staff employed in FY20 that did not return in FY21
 - MSIS personnel snapshot – review for errors
 - Errors cannot be used in your justification
 - (i.e., "No SPED Students" and/or "Salary less than MAEP salary").

- For the qualifying teachers you will need:
 - Supporting employee account distribution and/or
 - Employee salary/fringe report from the accounting software
- Make sure to include the total salary and fringes and a corresponding justification for each teacher
 - Example: Teacher retired, and special education students were served by other special education teacher).
- Make sure all signatures are on the documents and uploaded into MCAPS
 - LEA Document Library>FY23> LEA Documents>Maintenance of Effort > SPED MOE Compliance folder
 - Send an email to Mary Knight (mknight@mdek12.org)

If a school district is unable to meet MOE Compliance after all resources have been exhausted, MDE will issue a demand letter for the shortfall amount which must be paid from State and Local funds.

34 CFR §§300.203-300.204. **(a) Eligibility Standard:** For the purposes of establishing the Local Educational Agency's (LEA) eligibility for an award for a fiscal year, the State Educational Agency (SEA) must determine that the LEA budgets, for the education of children with disabilities, at least the same amount the LEA spent from the same source for the most recent fiscal year. **The eligibility component is a comparison of the LEA's budget for the upcoming fiscal year to the last year the LEA met compliance.** Funds provided to an LEA under Part B of the Act must not be used to reduce the budget for the education of children with disabilities made by the LEA from local funds below the budget from the preceding fiscal year compliance was met.

Example: FY23 budget is compared to FY21 which is a review of SY2020-2021.

- During the budget planning period for the upcoming school year, the school district will need to budget its State and Local funds at a level not less than the amount expended when compliance was last met. The last time compliance was met will be FY21(SY20-21).
- The compliance expenditures are placed in MCAPS prior to end of school year.
- The deadline to submit your State and Local budget (**Signed Combined and Combining**) is August 15, 2022, which is placed in SharePoint per School Financial Services guidelines.

Example of MOE (IDEA) Eligibility Calculation

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Gibbons School District	
FY23 (SY22-23)	\$2,038,289
FY21 (SY20-21)	\$2,038,189
Increase	\$100

Gibbons School District has
MET MOE 23 Eligibility

Midnight Early School District	
FY23 (SY19-20)	\$2,004,330.71
FY21 (SY20-21)	\$2,038,189.00
Decrease	(\$33,858.29)

Midnight Early School
District **DID NOT** meet
MOE 23 Eligibility

Exceptions for not meeting MOE Eligibility

- A departure of staff and not replaced during the school year and/or departure of staff replaced by lower qualified staff
- A decreased in enrollment of children with disabilities
- An exceptionally costly special education program provided to a particular special education student for which the program is no longer needed
- A costly expenditure for long-term purchase was terminated during the prior school year
- An assumption of cost by the high-cost fund operated by the SEA

NOTE: Departure of staff is the most common reason for not meeting MOE Eligibility

- School districts may amend their FY23 State and Local budget for the shortage and/or submit justification
- The amended budget must be board approved and uploaded into MCAPS under LEA Document Library>FY23> LEA Documents> Maintenance of Effort > SPED MOE Eligibility folder
- Send an email Mary Knight (mknight@mdek12.org)

Review teachers who were in the school district in FY20 (SY19-20) and did not return in FY21 (SY20-21).

- **MAY NOT** use teachers who didn't return in FY22
- If the LEA used teachers for compliance justification, those same teachers may be used for eligibility justification if the teacher affected the budget
- Teachers from FY19 (SY18-19) that did not return in FY20 (SY19-20) may be used
 - However, you **MAY NOT** use any teachers previously submitted as justification for compliance and/or eligibility

MOE (IDEA) Eligibility Form – Retirement or Departure



Mississippi Department of Education
Office of Grants Management

MOE AMOUNT: \$33,858.29

JUSTIFICATION FOR MAINTENANCE OF EFFORT ELIGIBILITY FOR FY23: RETIREMENT OR DEPARTURE OF STAFF

School District: Midnight Early School District

District Code #: 9311

School Year	Teacher Name	Total Salary & Benefits	School Year	Replaced By Qualified Lower Salaried Staff**	Total Salary & Benefits of Replacement Teacher	Justification/Explanation/ Attach employee account distribution sheet **	Difference
19-20	Patricia Hall	\$78,940.44				Teacher retired and special education students served by other special education teachers	\$78,940.44
TOTAL							\$78,940.44

DIRECTIONS: (1) Report the school year and name of the teacher and total salary including benefits. (2) Report the school year and name of the replacement and the total salary including benefits. (3) Subtract the total salary for each school year to obtain the **difference**. (4) Provide employee account distribution sheet for each employee listed.

****If not replaced by qualified, lower salaried staff, explain how students with disabilities were served; attach additional narrative if necessary.**

Dianna Knight
Superintendent's Signature

2.4.2022

Date

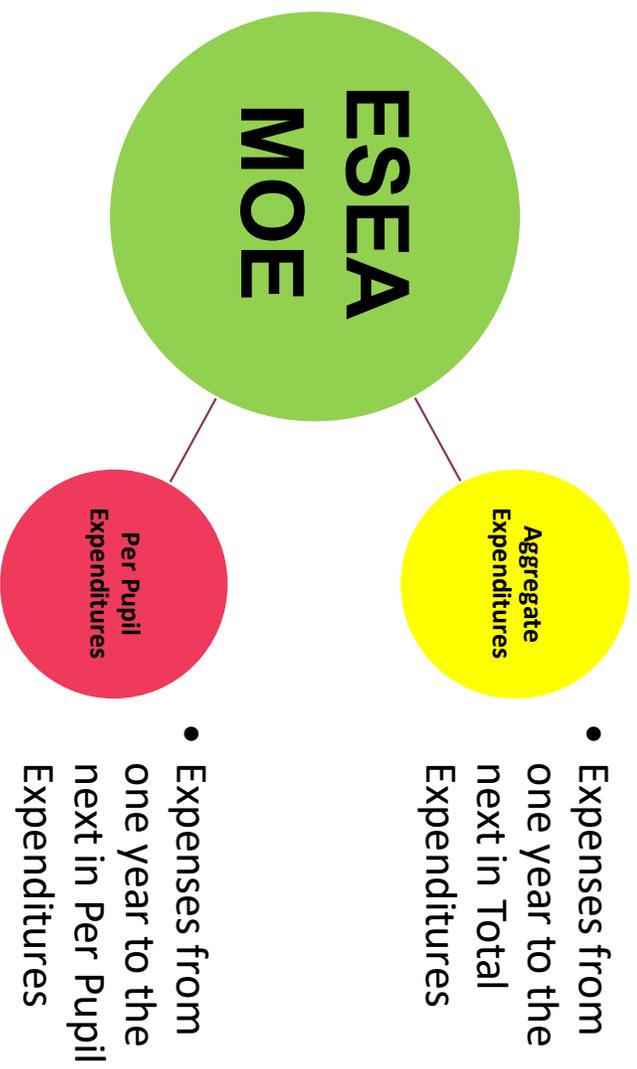
If a school district cannot meet MOE Eligibility, their FY23 IDEA and Preschool project application will not be approved by the office of Special Education, and they will not be eligible to receive any federal funds.

- Grants Management and School Financial Services (SFS) are working together to ensure the school districts are submitting the correct budget information. The school district will submit their combined and combining budget for fund 1130, signed board approval page, and expenditure report for fund 1120 function 1220 into the SFS SharePoint site.
- Maintenance of Effort for Compliance and Eligibility must be met before IDEA Part B and Preschool funds can be requested.



ESEA - MOE

Shanika Jackson, Grants Manager



Sec. 1118(a) and 8521

- MOE is a review of the combined fiscal effort per student or the aggregate expenditures of the LEA
- Maintenance of Effort (MOE) is one of three fiscal requirements under Title I, Part A
- MOE is met by the LEA expending not less than 90% of its state and local funds from its second preceding year in comparison to the preceding year

MAINTENANCE OF EFFORT FORMULA
TITLE I

<u>Column 1</u>	<u>Column 2</u>	<u>Column 3</u>
<p>Funds: 1000 - 1999 General Funds 2001 Uniform Millage 2090 Extended School Year 2100 - 2199 Child Nutrition Programs 2410 EEF - Building & Buses 2420 EEF - Textbook 2430 EEF - Transportation 2440 EEF - Instructional Supply 2711 Voc. Ed. Basic</p> <p>GL Code = 900 (Expenditures)</p> <p>Expenditure Functions: 1000 - 1999 Instruction 2000 - 2999 Support Services 3100 - 3199 Food Service Operations 3900 Other Non-Instructional</p> <p>Object Codes: 100 - 199 Personal Serv. Salaries 200 - 299 Personal Serv. Employee Benefits 300 - 399 Purchased Services - Prof./Tech. Ser. 400 - 499 Purchases Property Services 500 - 599 Other Purchased Services 600 - 699 Supplies 740 Furniture & Equip. (Not Capitalized) 810 Dues & Fees 890 Misc. Expenditures</p>	<p>Funds: 1000 - 1999 General Funds 2001 Uniform Millage 2090 Extended School Year 2100 - 2199 Child Nutrition Programs 2410 EEF - Building & Buses 2420 EEF - Textbook 2430 EEF - Transportation 2440 EEF - Instructional Supply 2711 Voc. Ed. Basic</p> <p>GL Code = 800 (Revenues)</p> <p>Revenue Functions: 4000 - 4999 Federal Sources</p>	<p>Column 1 LESS Column 2</p>

MOE (ESEA) - Column 1 (Expenditures)

Column 1

Funds:

- 1000 - 1999 General Funds
- 2001 Uniform Millage
- 2090 Extended School Year
- 2100 - 2199 Child Nutrition Programs
- 2410 EEF - Building & Buses
- 2420 EEF - Textbook
- 2430 EEF - Transportation
- 2440 EEF - Instructional Supply
- 2711 Voc. Ed. Basic

GL Code = 900 (Expenditures)

Expenditure Functions:

- 1000 - 1999 Instruction
- 2000 - 2999 Support Services
- 3100 - 3199 Food Service Operations
- 3900 Other Non-Instructional

Object Codes:

- 100 - 199 Personal Serv. Salaries
- 200 - 299 Personal Serv. Employee Benefits
- 300 - 399 Purchased Services - Prof./Tech. Ser.
- 400 - 499 Purchases Property Services
- 500 - 599 Other Purchased Services
- 600 - 699 Supplies
- 740 Furniture & Equip. (Not Capitalized)
- 810 Dues & Fees
- 890 Misc. Expenditures

School District A			
Funds	2021	2020	
1000-1999	\$ 28,000,000	\$ 31,500,000	
2001	37,000	45,000	
2090	7,000	10,000	
2100-2199	7,000	10,000	
2410	10,000	20,000	
2420	10,000	20,000	
2430	10,000	20,000	
2440	10,000	20,000	
2711	10,000	20,000	
Total	\$ 28,101,000	\$ 31,665,000	

MOE (ESEA) - Column 2 (Federal Revenue)

Column 2

Funds:

- 1000 - 1999 General Funds
- 2001 Uniform Millage
- 2090 Extended School Year
- 2100 - 2199 Child Nutrition Programs
- 2410 EEF - Building & Buses
- 2420 EEF - Textbook
- 2430 EEF - Transportation
- 2440 EEF - Instructional Supply
- 2711 Voc. Ed. Basic

GL Code = 800 (Revenues)

Revenue Functions:

- 4000 - 4999 Federal Sources

School District A			
Funds	2021	2020	
1000-1999	-	-	-
2001	-	-	-
2090	-	-	-
2100-2199	7,000.00	10,000.00	
2410	-	-	-
2420	-	-	-
2430	-	-	-
2440	-	-	-
2711	10,000.00	20,000.00	
Total	17,000.00	30,000.00	

MOE (ESEA) - Column 3 (Aggregate Expenditures)

Column 3
 Column 1
LESS
 Column 2

School District A		
	2021	2020
Column 1 (Expenses)	28,101,000	31,665,000
Column 2 (Federal Revenue)	(17,000)	(30,000)
Aggregate Expenditures	28,084,000	31,635,000

**MOE % = 2021 Aggregate Expenditures
2020 Aggregate Expenditures**

	School District A	
	2021	2020
Aggregate Expenditures	28,084,000	31,635,000

$$\text{MOE \%} = \frac{28,084,000}{31,635,000}$$

$$\text{MOE \%} = 88.7\%$$

**2021 Per Pupil = 2021 Aggregate Expenditures
Expenditures FY21 ADA**

School District A		
	2021	ADA FY21
Aggregate Expenditures	\$28,084,000	6,055

**2021 Per Pupil = \$28,084,000
Expenditures 6,055 = \$4,638.15**

$$\text{2020 Per Pupil Expenditures} = \frac{\text{2020 Aggregate Expenditures}}{\text{FY20 ADA}}$$

School District A		
	2020	ADA FY20
Aggregate Expenditures	\$31,635,000	6700

$$\text{2020 Per Pupil Expenditures} = \frac{\$31,635,000}{6,700} = \$4,721.64$$

**MOE% = 2021 Per Pupil Expenditures
2020 Per Pupil Expenditures**

	School District A	
	2021	2020
Per Pupil Expenditures	\$4,638.15	\$4,721.64

$$\text{MOE\%} = \frac{\$4,638.15}{\$4,721.64} = 98.2\%$$

School District A		
	Aggregate Expenditures	Expenditure Per Pupil
MOE %	88.7%	98.2%

MDE is required to use the measure that is most favorable to the LEA when determining whether the LEA maintained effort. In this example, School District A has met MOE based on Expenditure Per Pupil.

LEAs are not subject to sanctions for failing to maintain 90% effort for one year (either combined fiscal per student or aggregate State and agency expenditures) provided it has not failed to meet MOE for one or more of **five (5) immediately preceding fiscal year**.

The Secretary of Education may waive MOE if:

- Exceptional or uncontrollable circumstances, such as a natural disaster; or
- (New) a change in the organizational structure of the LEA; or
- A precipitous decline in the financial resources of the LEA

If an LEA is not eligible for a waiver and fails to meet the 90% mark, MDE must reduce the amount of funds allocated under all over the covered ESSA programs in the exact proportion to which the LEA failed to meet the 90% requirement.

School District B		
	Aggregate Expenditures	Expenditure Per Pupil
MOE%	82.7%	86.2%

School District B has failed MOE on both Aggregate Expenditures & Expenditure Per Pupil

School District B		
	Aggregate Expenditures	Expenditure Per Pupil
MOE%	82.7%	86.2%
Required %	90%	90%
Reduction Amount	(7.3%)	(3.8%)

The MDE must use the measure that is most favorable to the LEA in determining the percentage by which the federal funds must be reduced. In this example, School District B will receive a reduction of all covered ESSA program by 3.8%

School District B (MOE Reduction 3.8%)			
FY22	Allocations	Reduction amount	Revised Allocation
Title I	\$21,000,000	\$ (798,000)	\$20,202,000
Title I, Part D, Subpart 2	45,000	(1,710)	43,290
Title II	2,000,000	(76,000)	1,924,000
Title III, EL	175,000	(6,650)	168,350
Title IV, Part A	1,500,000	(57,000)	1,443,000
Title IV, Part B	400,000	(15,200)	384,800
Title V	68,000	(2,584)	65,416
Total	\$25,188,000	\$(957,144)	\$24,230,856

If an LEA fails MOE by sinking below the 90 percent level, the bar does not get reset at the lower expenditure level for future years.

It does not matter that the LEA actually spent 85% instead of 90% in the year in question and was penalized for it. For the purposes of determining maintenance of effort in the following year, MDE would start by assuming that the LEA spent the amount it should have spent to maintain effort at the 90%.

Amount Used in Subsequent Years - Example

	Aggregate Expenditures	MOE %
FY2022	\$850,000	85%
FY2021	\$1,000,000	

	Aggregate Expenditures	MOE %
FY2023	\$825,000	91.7%
FY2022 (MDE Calculated 90% of FY2021 Aggregate Expenditures)	\$900,000	



Questions?

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