

Local Educational Agency (LEA) Maintenance of Effort (MOE) Calculator: Instructions

Introduction

The Center for IDEA Fiscal Reporting (CIFR) developed the Local Educational Agency (LEA) Maintenance of Effort (MOE) Calculator to help state educational agencies (SEAs) and/or LEAs:

- Document local or state and local fiscal effort in an LEA for special education and related services.
- Determine whether that effort meets the IDEA's LEA MOE requirement (34 CFR §300.203), which stipulates that every LEA must budget and expend at least the same amount of funds for the education of children with disabilities as the LEA spent in previous years.

This requirement includes both an eligibility standard — the LEA must *budget* at least the same amount as in previous years — and a compliance standard — the LEA must *expend* at least the same amount as in previous years. IDEA permits LEAs to meet each of these standards by any of four methods: by calculating total local funds, total state and local funds, local per capita funds, or state and local per capita funds. To learn more about these standards and methods, see CIFR's three-page Quick Reference Guide on IDEA LEA MOE: <http://cifr.wested.org/wp-content/uploads/2015/12/CIFR-LEA-MOE-ORG.pdf>. The Quick Reference Guide also describes the basis for all allowable exceptions and adjustments.

The Calculator is designed to be used beginning in fall 2016, as SEAs or LEAs determine whether an LEA's Fiscal Year (FY) 2015–16 final expenditures met the LEA MOE compliance standard. The Calculator can then be used in spring 2017, as SEAs or LEAs determine whether an LEA's FY 2017–18 budgeted amounts meet the LEA MOE eligibility standard (the FY 2015–16 data will be stored in the Calculator and do not need to be re-entered). Users can also start using the Calculator after spring 2017.

An SEA may use this Calculator in multiple ways. It could complete the Excel workbook based on data submitted by each LEA; collaborate with each LEA to complete the workbook; or ask each LEA to complete and submit the workbook. For example, the SEA could populate previous years' data and ask each LEA to enter current data.

If SEA staff have any questions about using the Calculator, please contact CIFR Community of Practice technical assistance providers, or contact CIFR at cifr_info@wested.org. LEAs are encouraged to contact their SEA for assistance.

The Center for IDEA Fiscal Reporting makes the LEA MOE Calculator available to state educational agencies (SEAs) for independent use, general guidance, and estimates only. The LEA MOE Calculator is not intended to replace professional guidance, or any other decision-making method or tool. SEAs and any other end users are responsible for determining their own legal, regulatory, contractual or other responsibilities, and ensuring that their calculations and reporting are correct.

General Instructions

The Calculator allows users to enter data for multiple years, from FY 2010–11 through 2019–20. For the Calculator to function optimally, users should enter data going back to the last year that the LEA met MOE for each of the four methods used. For one method, it might be FY 2014–15 data; for another method, it might be FY 2010–11 data. Users should also enter data for any intervening years. When using this Calculator for the first time, we recommend having access to historical MOE results, exceptions and adjustment data, and current budget data. For years prior to 2015–16, this historical information is entered on the *Multi-Year MOE Summary* worksheet. For later years, this information is entered in a more detailed format on the *Amounts* worksheets.

There are 24 color-coded worksheets, or tabs, in the workbook:

- *Title Page* (Tab 1, purple).
- *Instructions* (Tab 2, purple). A PDF version of the instructions is available for download and printing with the Calculator on CIFR’s website and is included in the .zip file when a user downloads the Calculator.
- *Getting Started* (Tab 3, purple) is a worksheet for entering basic information.
- *Multi-Year MOE Summary* (Tab 4, purple) contains the table showing whether the LEA met MOE for past and current years.
- Five *Amounts* worksheets (Tabs 5, 8, 11, 14, and 17, red) are for users to enter budget and expenditure amounts for FYs 2015–16 through 2019–20.
- Five *MOE* worksheets (Tabs 6, 9, 12, 15, and 18, blue) that summarize the MOE calculations for each method, for each year.
- Nine *Exc & Adj* worksheets (Tabs 7, 10, 13, 16, and 19–23, orange) are for entering exceptions and adjustment data for each year from FY 2011–12 through 2019–20.
- *LEA or SEA Worksheet* (Tab 24, green) is a blank worksheet for LEA or SEA use.

For FY 2015–16 to FY 2019–20, the worksheets are arranged by year. *Exc & Adj* worksheets for years prior to FY 2015–16 follow the yearly worksheets.

Shaded cells are for data entry. Unshaded cells are headers or will calculate automatically. “Copying” and “pasting” is permitted in the Calculator, but the “cut” function is not advised as using it will decrease the functionality of the Calculator.

Getting Started Worksheet (Tab 3, Purple)

LEA name and ID (rows 2–3):

- Enter the LEA name and ID. This information is for reference and is not used in the tool's calculations.

State fiscal year (rows 4–5):

- Enter the start and end dates for the state fiscal year (month and day). This information is for reference and is not used in the tool's calculations.

State and local funds (row 6):

- Select (Yes/No) to indicate whether the LEA is able to separately account for the expenditure of local funds and state funds from 2010–11 to the present year. If not able to do this local/state separation for each year, the LEA will not be able to use the local funds test methods to demonstrate it has met MOE requirements (i.e., all “Local” columns in the other worksheets will be unavailable), and the LEA will have to enter all amounts into the “State” columns throughout all the relevant worksheets.

Automatic calculation (row 7):

- Select (Yes/No) to indicate whether you opt to have the Calculator automatically calculate Exception 34 CFR § 300.204(b), which is a decrease in the enrollment of children with disabilities. If you choose "Yes," the Calculator will use a method approved by OSEP for the calculation of Exception (b). If you choose "No," you must use a method allowed by your SEA that is justifiable and consistent with IDEA regulations.

High cost fund (rows 9–17):

- For each year in rows 9–17 of the Calculator, select Yes if the SEA operates a high cost fund under §300.704(c). The default is No. (The exception related to high cost funds is Exception 34 CFR § 300.204(e), which indicates the following: the assumption of cost by the high cost fund operated by the SEA under 34 CFR §300.704[c], allows a reduction when costs are assumed by such a fund.) We recommend that LEA users contact their state to determine if the high cost fund is funded with federal dollars and is explicitly operated under §300.704(c).

Multi-Year MOE Summary Worksheet (Tab 4, Purple)

This sheet is a summary of the LEA's fiscal efforts from FYs 2010–11 through 2019–20.

FY 2010–11, the baseline year for LEA MOE calculations established by the U.S. Department of Education Office of Special Education Programs (OSEP), meaning that an LEA is assumed to have met MOE by all four methods in FY 2010–11. When an LEA meets the LEA MOE compliance standard by one of the four methods for any year after FY 2010–11, that year becomes the baseline year for that method.

However, each LEA may not have data available for each year on this worksheet. At a minimum, data must be entered for each method for at least one year prior to FY 2015–16 in which the LEA met MOE by that respective method and for each subsequent year. The prior year met may be different for each method.

Enter available data in the shaded cells for FYs 2010–11 through 2014–15. Information for FYs 2015–16 to 2019–20 will be auto-filled based on data entered in the *Amounts*, *MOE*, and *Exc & Adj* worksheets.

Amounts entered in the columns for IDEA Part B, Sections 611 and 619 Subgrant for FYs 2015–16 through 2019–20 will be used to calculate a Total IDEA Part B Subgrant. This total is needed to calculate the amount the SEA is responsible for repaying to the U.S. Department of Education (and may require an LEA to repay), in case of MOE failure.

Detailed directions for completing the worksheet

In the *Multi-Year MOE Summary* worksheet, the Standard column (column B) is set to the Compliance (Expenditures) standard for FYs 2010–11 to 2015–16. For all future years, the worksheet defaults to the Eligibility (Budget) standard. To change the standard that is being monitored in FYs 2015–16 to 2019–20, go to the *MOE* worksheet for each of these respective years and select either Eligibility or Compliance in row 1, column B.

Enter historical data for FYs 2010–11 to 2014–15, as needed, to include the most recent year when MOE was met for each method (columns C–K, rows 3–7):

- Under Child Count (column C), enter the child count of students with disabilities for each year (as defined by 34 CFR 300.101–300.102). The numbers entered here will be used to automatically calculate the per capita amounts in columns H and J.
- Under Local Total Amount, and State and Local Total Amount (columns D and F, respectively), enter the LEA’s final expenditure amounts for each fiscal year.
- Per capita amounts in columns H and J will automatically calculate.
- For each method and year (in columns E, G, I and K), select an MOE Compliance Result: “Met,” “Met with Exceptions or Adjustments,” or “Did Not Meet.” Note: For FY 2010–11, all methods are preset to “Met” since this is the baseline year.

The worksheet will automatically calculate the above information for FYs 2015–16 through 2019–20 in columns C–K, rows 8–12, based on data entered in the *Amounts* and *Exc & Adj* worksheets for those respective years.

In addition, the Calculator enables users to collect and track information needed by the SEA to meet its reporting requirements including Subgrant and Repayment Amounts for FYs 2015–16 through 2019–20, as needed (columns L–Q, rows 8–12).

- Under Amount of IDEA Part B, Section 611 and Section 619 Subgrant (columns L and M, respectively), enter the amounts of the IDEA 611 and 619 Subgrants to the LEA.
- Total IDEA Part B Subgrant (column N) will automatically calculate the sum of the amounts entered in columns L and M.
- Repayment Amount (column O), using data entered in the *Amounts* and *Exc & Adj* worksheets and summarized in the *MOE* worksheet, will calculate the amount to be repaid, which is: (a) the least of the amounts by which the LEA failed to maintain its level of expenditures by each of the four tests, or (b) the total amount of the LEA’s Part B Subgrant for that year — whichever is smaller. (Intermediary calculations of the shortfall for each method for each year are shown in columns V–X.)
- Under Date SEA/LEA Paid Amount (columns P and Q, respectively), enter the dates the SEA and/or LEA made repayments, if required.

Amounts Worksheets for FYs 2015–16 Through 2019–20 (Tabs 5, 8, 11, 14, and 17, Red)

These are the input sheets to record the LEA’s annual fiscal effort. Two identical tables are used to record budgeted amounts for the eligibility standard and final expenditure amounts for the compliance standard. Assuming you are using this tool for the first time to calculate the FY 2015–16 compliance standard, begin with the table on the right side (titled Compliance Standard – Fiscal Year 2015–2016 - LEA Effort - Final Expenditures) of the *15–16 Amounts* worksheet. If you are using the tool to calculate the eligibility or compliance standard for a year after 2015–16, begin in the appropriate *Amounts* worksheet, and work retroactively to document multiple years of MOE. Amounts may be copied and pasted from one table to the other if the amounts do not change. Do not use the cut function, as using it may cause errors in the data calculations.

Note that when entering data in the Eligibility Standard table, it is also necessary to enter the data for Eligibility for the previous year in the corresponding *Amounts* worksheet for that year in order for all automatic calculations to function properly.

Detailed directions for completing the worksheet for each year

Child Count (row 1):

- Enter the Projected (column B) or Actual (column I) special education child count of children receiving services under IDEA. These numbers will be used for all per capita calculations on the *Amounts*, *MOE*, and *Multi-Year Summary* worksheets, and for Exception (b): Decrease in enrollment on the *Exc & Adj* and *MOE* worksheets.

Eligibility Standard (Budgeted Amounts) and Compliance Standard (Final Expenditures) Tables:

- Note that if you indicated in the *Getting Started* worksheet that the LEA is unable to separate state and local funds, the local columns in these tables are not available for data entry. All funds must be entered into the State columns (E and/or L). If the SEA is completing this worksheet on behalf of its LEAs but cannot distinguish state from local funds, it must provide each LEA with the opportunity to demonstrate that it can meet MOE by any of the four methods, including the local-only methods.
- Under Object Description (columns A and H) and Code (columns B–C and I–J), enter available descriptions and codes for all local and state budget or expenditure items for the noted fiscal year. An Object Description describes the expenditure (e.g., teacher salaries and benefits, supplies, therapist contracts), and the Code references the billing code used by the LEA to track the funds. The headers for these columns are editable and can be customized based on the terminology used by your SEA or LEA. There are two Code columns to allow SEAs and LEAs flexibility in entering budget codes or other information.
- In the Local (column D) and State (column E) columns in the Eligibility Standard table and the Local (column K) and State (column L) columns in the Compliance Standard table, enter the corresponding budgeted amounts (columns D and E) and/or expended amounts (columns K and L) at the local (if possible) and state level for each object entered in column A or H. If an LEA cannot separately account for local and state funds, all funds should be entered in the State columns (columns E and L).
- The State and Local columns (columns F and M) are auto-calculated.
- The worksheet calculates Grand Totals (row 30) and Per Capita Amounts (row 31) for budgeted and expended amounts.

MOE Worksheets for FYs 2015–16 Through 2019–20 (Tabs 6, 9, 12, 15, and 18, Blue)

These worksheets draw on the information entered in the *Getting Started*, *Multi-Year MOE Summary*, *Amounts*, and *Exc & Adj* worksheets to calculate whether the MOE eligibility and compliance standards are met, and the difference between what has been budgeted or expended and what must be budgeted or expended to meet the standards, by each of the four methods.

The tables on these sheets should be completed for each method unless the user indicated on the *Getting Started* worksheet that the LEA is unable to account separately for state and local funds, in which case the local methods (i.e., Method 1: Local Total and Method 3: Local Per Capita) for meeting the MOE standards will not be displayed.

Detailed directions for completing the worksheet for each year

Which standard do you want to measure? (row 1):

- Select whether the Compliance or Eligibility standard is being measured. Select Compliance if you have final expenditure data for that year.

Calculation tables (rows 3–11):

- The Calculation tables for each of the four methods are automatically filled and do not require user input.
- Comparison Year and Comparison Year Amount (rows 4 and 5) are determined by the most recent year in which the LEA met the MOE compliance standard for each of the four methods. This information is obtained from the *Multi-Year MOE Summary* worksheet.
- Row 6 displays total amounts from the Grand Totals and Per Capita Amounts rows in the *Amounts* worksheet for the correlating fiscal year.
- Based on the data entered in the *Amounts* and *Exc & Adj* worksheets and the comparison data in the *Multi-Year MOE Summary*, an MOE result will appear in the MOE Result columns (row 6 in columns C, G, K, and O). If MOE is not met based on the comparison of the current year's budget or expenditure amounts to the amounts from the last year when MOE was met (reduced, as appropriate, by exceptions and/or an MOE adjustment), the Initial Difference row (row 7) will show the initial difference between the two amounts.
- Rows 8–11 display Total Exceptions and Total Adjustment, along with Difference with Exceptions, and the Final Shortfall, based upon those exceptions and adjustment. MOE Results are displayed in adjacent columns in rows 9 and 11.

These values are calculated based on the Exceptions and Adjustment tables in rows 13–73.

Exceptions and Adjustment tables (rows 13–73):

- These tables summarize the exceptions and adjustment data entered on the *Exc & Adj* sheets for the current year and for previous years, when applicable.

Exceptions & Adjustment (Exc & Adj) Worksheets for Current and Previous Years (Tabs 7, 10, 13, 16, and 19–23, Orange)

When reporting an LEA's MOE, enter information on any relevant qualifying MOE exceptions or adjustment in the *Exc & Adj* worksheets, which will auto-populate the correlating *MOE* worksheets. The *Exc & Adj* worksheets provide places for an LEA to document the five exceptions permitted by 34 CFR §300.204 and the MOE adjustment permitted by 34 CFR §300.205. If an LEA does not meet MOE requirements based on its budgeted amounts (eligibility) or final expenditures (compliance), enter information in the *Exc & Adj* worksheets to potentially meet MOE based on the exceptions or adjustment. Even an LEA that meets MOE by one or more methods should consider entering all exceptions and adjustment data, since this information may be helpful for future years to lower the amount needed to meet MOE.

The *Exc & Adj* worksheets require only the final expenditure data for FYs 2011–12 through 2014–15. For those years, an LEA may simply enter summary information and total numbers and does not need to enter the same level of detail as for later years. For FYs 2015–16 through 2019–20, the tables are duplicated for budgeted or projected reductions (to meet the eligibility standard) and actual reductions taken, based on final expenditures (to meet the compliance standard).

Detailed directions for completing the worksheet for each year

Note: In the *Exc & Adj* worksheets for years 2015–16 and onwards, the data entry fields in the Eligibility Standard table and the Compliance Standard table are identical.

Exception 34 CFR § 300.204(a) [Voluntary departure] – The voluntary departure, by retirement or otherwise, or departure for just cause, of special education or related services personnel, rows 3–21:¹

- Enter information about all departing personnel and replacement personnel, including amounts of salary and benefits paid from local, or state and local, funds.

¹ The row numbers for the *Exc & Adj* worksheets apply to FYs 2015–16 and later. In earlier years, because no eligibility table is needed, all row numbers are one lower.

Exception 34 CFR § 300.204(b) [Decrease in enrollment] – A decrease in the enrollment of children with disabilities, rows 23–35:

- Option 1. If “No” was selected in the *Getting Started* worksheet to indicate the SEA or LEA would use its own method to calculate exception (b), enter the amounts for this exception in row 25, for each of the four methods (the per capita amount is not automatically calculated as it is elsewhere). The amounts must be based on a method that is allowed by the SEA and is justifiable and consistent with IDEA regulations.
- Option 2. If “Yes” was selected in the *Getting Started* worksheet to indicate the SEA or LEA would not use its own method to calculate exception (b), the worksheet will auto-calculate the exception (b) amount based on the child count data entered in the *Multi-Year MOE Summary* and *Amounts* worksheets. For this exception only, the worksheet shows how the exception applies differently to the Local (column B) and State and Local (column C) methods.

Exception 34 CFR § 300.204(c) [Exceptionally costly program] – The termination of the obligation of the agency, consistent with this part, to provide a program of special education to a particular child with a disability that is an exceptionally costly program, as determined by the SEA, because the child: (1) has left the jurisdiction of the agency; (2) has reached the age at which the obligation of the agency to provide free and appropriate education to the child has terminated; or (3) no longer needs the program of special education, rows 37–46:

- Enter a Student Identifier; the Reason for the termination of the obligation of the agency to provide special education; and local, or state and local, expenditures for each child with a disability requiring an exceptionally costly program.

Exception 34 CFR § 300.204(d) [Long-term purchases] – The termination of costly expenditures for long-term purchases, such as the acquisition of equipment or the construction of school facilities, rows 48–56:

- Enter a description for each costly expenditure for a long-term purchase that has terminated, and provide local, or state and local, expenditures in the final year of purchase.

Exception 34 CFR § 300.204(e) [SEA high cost fund] – The assumption of cost by the high cost fund operated by the SEA under 34 CFR §300.704(c), rows 58–66:

- For each year for which the user selected “Yes” in the *Getting Started* worksheet to indicate that the SEA operated a high cost fund under §300.704(c), this exception will be available for data entry.

- Enter a student identifier and the total cost assumed by the SEA for each student for whom the SEA assumed (or is projected to assume) costs in a given year.

If the rows provided in these tables for the exceptions are not sufficient, include a summary in the provided rows (e.g., a total of Salary and Benefits for all departing personnel for exception (a) [Voluntary departure]) and maintain the appropriate additional documentation separately.

Adjustment, rows 68–70:

- If an LEA intends to take an MOE adjustment, use the *IDEA* Data Center’s MOE Reduction Eligibility Decision Tree and Worksheet (<https://ideadata.org/resource-library/56995073150ba000628b45df/>) to determine if the LEA is eligible, and the amount available for an adjustment.
- Enter the amount, up to the total available adjustment, projected or taken in row 70.

LEA or SEA Worksheet (Tab 24, Green)

The final tab in the Calculator is a blank worksheet that the LEA or SEA can use as needed. Possible uses include:

- Notes related to the LEA MOE calculations.
- Calculations for the *Amounts* worksheets.
- Calculations for the *Exc & Adj* worksheets, including SEA or LEA calculations for Exception (b): Decrease in enrollment, if you choose not to have it auto-calculated.
- Historical LEA MOE data (prior to FY 2015–16) for the *Multi-Year MOE Summary* worksheet.

You can create a link to this worksheet in any shaded cell on the *Amounts*, *Exc & Adj*, or *Multi-Year MOE Summary* worksheets.

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