

OVERVIEW OF IDEA MAINTENANCE OF EFFORT (Special Education)

LEA Maintenance of Effort Requirement (MOE): 34 CFR 300.203

An LEA must not use funds provided under Part B of the IDEA to reduce the level of expenditures for the education of children with disabilities made by the LEA from local, or state and local, funds below the level of those expenditures for the preceding fiscal year.

IDEA Compliance Standard for MOE

An analysis of an LEA's MOE compliance does not occur until after the fiscal year has closed. The LEA needs to pass at least one of the four MOE tests listed below to demonstrate compliance.

1. At least the same combined amount of local and state funds was expended as the LEA expended from these two sources on special education activities the previous fiscal year.
2. At least the same amount of local funds was expended as the LEA expended from local funds on special education activities the previous fiscal year.
3. At least the same student per capita amount from local and state funds was expended as the LEA expended from these two sources on special education activities the previous fiscal year.
4. At least the same student per capita amount from local funds was expended as the LEA expended from local funds on special education activities the previous fiscal year.

Non-Compliance with MOE

If an LEA does not pass at least one of these four MOE tests, the LEA must provide documentation to the South Dakota Department of Education explaining how one of the exceptions listed below prevented the LEA from expending the necessary amount of local or state funds to maintain effort.

If the LEA is unable to establish an allowable exception, noncompliance will be determined and the LEA will be required to pay the amount it fell below the MOE requirement to the South Dakota Department of Education.

Exceptions to Maintenance of Effort: 34CFR 300.204 and 300.205

An LEA may reduce the level of expenditures from local, or state and local funds, below the level of those expenditures for the preceding fiscal year if the reduction is attributable to the following.

1. The voluntary departure, by retirement or otherwise, or departure for just cause, of special education or related services personnel funded with local or state funds. (Personnel previously funded with federal IDEA funds are not allowable exceptions. Staff that have been laid off or have had their contracts reduced due to district budget shortfalls are not allowable exceptions.)

2. A decrease in the enrollment of children with disabilities.
3. 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 FAPE to the child has terminated; or
 - (3) no longer needs the program of special education.

Determining Eligibility for the Next Year's IDEA Part B Funds

To be eligible to receive the next fiscal year's IDEA funds, the LEA must budget sufficient local or state funds to show it intends to pass at least one of the four MOE tests listed above. For eligibility purposes the next fiscal year's budget is compared to the most recent fiscal year information is available (second prior year).

Please note that the final analysis of the LEA's compliance will compare actual expenditures to the first prior fiscal year.