

Technical Manual for Documenting Maintenance of Effort

Rule Series 1300

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Purpose

[IDEA Part B Maintenance of Effort](#) is a requirement for use of IDEA Part-B 611 and 619 grant funds to demonstrate that the level of state and local expenditures remain consistent year to year. An LEA must use IDEA Part B funds to supplement, not supplant, services and education of students with disabilities. This requirement consists of two parts; the Eligibility standard and Compliance standard.

Documenting Maintenance of Effort (MOE)

To meet the Maintenance of Effort requirement, an LEA must budget, for the education of students with disabilities at least the same amount, from at least one of the following sources as the LEA spent for that purpose from the same source for the most recent fiscal year for which information is available:

The combination of State and local funds;

Local funds only on a per capita basis; or

The combination of State and local funds on a per capita basis.

In order to adhere to federal requirements for use of federal grants generally, and the Individuals with Disabilities Education Act Part B (IDEA Part-B) Flow Through and PreK Flow Through Grants, and the Essential Early Education (EEE) grant specifically, an LEA must demonstrate that the use of federal funds is allowable. For a particular cost to be allowable, it must be necessary, allocable, and reasonable for proper and efficient performance and administration of the IDEA grant or program (Special Education) for which the LEA is being reimbursed. A cost is reasonable if it does not exceed what an LEA would normally incur in the absence of outside sources of funds. Additional guidance about standards for determining allowable costs is available from the federal Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ([2 CFR Part 200](#)). Only allowable costs may be charged to IDEA Part B grants.

There will be a single set of rules defining special education expenditures that align with state, local, and federal funding sources to help reduce administrative burden and minimize the number of rules LEAs are subject to in accordance with [20 U.S.C. § 1407\(a\)](#). An LEA's eligible state and local special education expenditures will be used as the basis for calculating MOE required by [34 C.F.R. 300.203](#).

An expenditure is eligible for the purposes of calculating MOE and is allowable for charging to the IDEA Part B grant if it is the result of:

providing special education or related services and/or supplementary aids and services that are articulated in a student's IEP; or

instructional, behavioral, and other academic/non-academic supports that are provided to students with and without disabilities in a common setting, as long as the services provided are articulated in an eligible student's IEP; or

Non-student specific expenditures reasonably related to the provision of special education services that are not provided as part of the school's standard instructional conditions.

Non-student specific expenditures include but are not limited to child find, special education administration costs, and the costs of software used to maintain special education files. The Agency of Education shall maintain a Technical Manual for Determining Allowable Costs for Vermont Special Education Funding and IDEA B Entitlement Grants listing the common services that are deemed to be reasonably related to the provision of special education services. Funding streams subject to the rules found in this document for determining eligibility toward the Maintenance of Effort (MOE) calculation include:

- Census Block Grants
- Extraordinary Special Education Expenditures Reimbursement
- State-placed Special Education Reimbursement
- Local funds attributed to special education.
- Essential Early Education (EEE) grant also known as Early Childhood Special Education (ECSE)
- Individuals with Disabilities Education Act Part B (IDEA B) Flow Through and PreK Flow Through grants.

MOE Eligibility and Compliance Standard

Eligibility standard- Beginning Spring 2023 the Eligibility standard will be prefilled and performed in the LEA MOE Calculator to be deployed August 2023.

When calculating the eligibility test of maintenance of effort, an LEA may include budgeted expenses that are attributable to the education of children with disabilities.

Compliance standard - *Also referred to Supplant Test, When calculating the compliance standard for maintenance of effort, an LEA may include actual expenses that are attributable to the education of children with disabilities. [34 C.F.R. § 300.203](#). For purposes of calculating maintenance of effort, a budgeted or actual expense is attributable to the education of children with disabilities if it is the result of: (a) providing special education or related services and/or supplementary aids and services that are articulated in a student's IEP; or (b) instructional, behavioral, and other academic/non-academic supports that are provided to students with and without disabilities, so long as the services provided are articulated in an eligible student's IEP; or (c) an IEP team decision to place an eligible special education student in an approved independent school that limits enrollment to students who are on an individualized education program, or a plan under Section 504 of the Rehabilitation Act of 1973, [29 U.S.C. § 794](#), and who are enrolled pursuant to a written agreement between the local education agency and the school. In such a case, tuition associated with that placement shall be considered eligible and may count toward maintenance of effort. (d) non-student-specific expenditures reasonably related to the provision of special education services. (1) Non-student-specific expenditures include but are not limited to child find, special education administration costs, and costs of software used to maintain special education files.

The Technical Manual for Use and Accounting of IDEA Part B Entitlement Grants will also be made available containing a list of the common services that are deemed to be reasonably related to the provision of special education services under (c) above. An expenditure not included in the Technical Manual may be allowed on a case-by-case basis if the Agency of Education grants written prior approval.

Documentation and Data Needed to Maintain Effort

Documentation required to support the LEA's Maintenance of Effort is to be prepared in accordance with the [VT Agency of Education's Handbook for Financial Accounting of Vermont School Systems](#) (Handbook II) and based on information from the general accounting system of the school district, joint contract school, or supervisory union.

The documentation is to include costs that reflect the previous fiscal year, to exceed MOE methods most recently met and should include all of the salaries and benefits earned through June 30th, even if they are actually paid after June 30th documentation should also include the costs of service provided through June 30th.

The reports to provide MOE documentation from an LEA and its member school districts by using either whole dollars or dollars and cents must hold consistent method throughout.

Total expenses used for MOE includes all expenditures incurred for the provision of special education direct instruction, related services, and special education administration costs in accordance with IDEA Part B and [State of Vermont Special Education Rules](#). Generally, these are the costs for educational services specifically for students with disabilities as required by their IEPs and the related costs of administering the special education services and the eligibility process. The cost of regular education services is not to be included, even if they are for special education students. These reflect the cost of providing special education services, not the total education costs of students with disabilities if part of those costs is for regular education services.

The LEA's allowable special education actual current year allowable expenditures are compared to the prior year's (the most recent year the LEA passed each method) actual allowable special education expenditures.

Salary and Benefits

Guidance for LEAs to ensure special education staff salary and benefits are captured to extract and include in IDEA Part B required MOE Compliance Standard [34 C.F.R. § 300.203](#).

- Be supported by a system of internal controls which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
- Be incorporated into official records;
- Reasonably reflect total activity for which the employee is compensated, not exceeding 100% of compensated activities;
- Encompass both federally assisted and all other activities compensated by the District on an integrated basis;
- Comply with the established accounting policies and practices of the non-federal entity; and

- Support the distribution of the employee’s salary or wages among specific activities or cost objectives.

The table below provides an overview of different options for documentation required for tracking of special education staff salaries and benefits used for MOE

	Periodic Certification (including Blanket Periodic Certification) Timing: Semi Annually, Annually	Employment Contracts <i>* if they have the data to separate the work, and the cost objective</i> Timing: Varies	Work Assignment / Schedule Timing: Varies, for schedules that are fixed	PAR (Personnel Activity Report) Timing: Daily	Attendance Sheet Timing: Varies, depending on task
Salary single cost objective	Applicable	Applicable	Applicable	Applicable	Not Applicable
Salary multiple cost objective	Not Applicable	Not Applicable	Applicable	Applicable	Not Applicable
Hourly single cost objective	Applicable	Applicable	Applicable	Applicable	Not Applicable
Hourly multiple cost objective	Not Applicable	Not Applicable	Applicable	Applicable	Not Applicable
Stipend <i>*Beyond contracted hours, certified employees only</i>	Applicable	Applicable	Applicable	Applicable	Applicable

Stipend: Beyond contracted hours, certified employees only

- Periodic Certification – (including Blanket Periodic Certification)
 - Examples, full FTE – if 3 staff are hired for the same tasks, those staff could be included in a blanket periodic certification.
 - PAR (Personnel Activity Report)
 - Timesheet timing column daily recording

- Capture required elements for cost data/cost objective
 - Example time reporting system
- Attendance Sheet – if stipend is paid as flat/daily rate for attendance, ie, summer conference or training
- Employment contracts * if they have the data to separate the work, and the cost objective
- Official Record of Employment Activities— allocational if contracts are written clearly, if their contracts specifically identify FTE 1
- PAR (Personnel Activity Report)
 - Timesheet timing column daily recording
 - capture required elements for cost data/cost objective
 - example time reporting system
- Work Assignment – if work assignment is fixed, example, 3 hours per day performing one specific task –timing column various for the period that schedule is fixed.
 - Long Term Subs

Salary single cost objective

- Periodic Certification (including Blanket Periodic Certification)
 - Examples, full FTE – if 3 staff are hired for the same tasks, those staff could be included in a blanket periodic certification
- Official Record of Employment Activities— allocational if contracts are written clearly, if their contracts specifically identify FTE 1
- Employment contracts * if they have the data to separate the work, and the cost objective
- Work Assignment/Schedule

Salary multiple cost objective

- PAR (Personnel Activity Report)
 - Time period, quarterly, annually
- Work Assignment – if work assignment is fixed, example, 3 hours per day performing one
 - Long Term Subs

Hourly single cost objective

- Periodic Certification (including Blanket Periodic Certification)
 - Examples, full FTE – if 3 staff are hired for the same tasks, those staff could be included in a blanket periodic certification.
 - PAR (Personnel Activity Report)
 - Timesheet timing column daily recording
 - capture required elements for cost data/cost objective
 - example time reporting system
- Employment contracts * if they have the data to separate the work, and the cost objective

- Official Record of Employment Activities— allocational if contracts are written clearly, if their contracts specifically identify FTE 1
- Work Assignment/Schedule
- PAR (Personnel Activity Report)
 - Timesheet timing column daily recording
 - capture required elements for cost data/cost objective
 - example time reporting system

Hourly multiple cost objective

- PAR (Personnel Activity Report)
 - Timesheet timing column daily recording
 - capture required elements for cost data/cost objective
 - example time reporting system
- Work Assignment – if work assignment is fixed, example, 3 hours per day performing one
 - Long Term Subs

Local Education Agency (LEA) Maintenance of Effort (MOE) Calculator

The Center for IDEA Fiscal Reporting (CIFR) developed the Local Educational Agency (LEA) Maintenance of Effort (MOE) Calculator to help:

- Document a LEA’s local or state and local fiscal effort for special education and related services.
- Determine whether that effort satisfies the IDEA’s LEA MOE requirement ([34 CFR §300.203](#)), which states that every LEA must budget and expend at least the same amount of funds for the education of children with disabilities as the previous year.

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.

1306.5 Exceptions to Maintenance of Effort ([34 C.F.R. § 300.204](#))

For the following reasons, allowance may be made for the difference between the level of effort in the current fiscal year and the amount required to maintain effort:

- (a) The voluntary departure, by retirement or otherwise, or departure by just cause, of special education or related services personnel;
- (b) A decrease in the enrollment of students with disabilities;
- (c) The termination of the obligation of the LEA, consistent with this part, to provide a program of special education to a particular student with a disability that is an exceptionally costly

program, as determined by the Secretary, because the student has left the jurisdiction of the LEA, has reached the age at which the obligation of the LEA to provide FAPE to the student has terminated, or no longer needs the program of special education;

(d) The termination of costly expenditures for long-term purchases, such as the acquisition of equipment or the construction of school facilities; or Vermont State Board of Education Rules Series 1300 – Special Education Finance and Census-Based Funding;

(e) The assumption of cost by the high cost fund operated by the Secretary under [34 C.F.R. 300.704\(c\)](#). Currently, Vermont does not operate a high cost fund.

1306.4 Consequence of Failure to Maintain Effort

If an LEA fails to maintain its level of expenditures for the education of students with disabilities in accordance with Rule 1306.2, and does not qualify for an exception per Rule 1306.5, the Agency of Education is liable in a recovery action under Section 452 of the General Education Provisions Act ([20 U.S.C. 1234a](#)) to return to the Department of Education, using non-federal funds, an amount equal to the amount by which the LEA failed to maintain its level of expenditures in that fiscal year, or the amount of the LEA's Part B subgrant in that fiscal year, whichever is lower.

Appendix A **to be added before July 1

Staff Documentation Sample and Examples

Time Reporting Using eFinance Module

Work Assignment Documentation

Staff Contract