

Maintenance of Effort: ESSA and IDEA

May 15, 2017





Navigating the Webcast



Submit comments to the presenters using the instant messenger.



You may submit questions at any time. We will answer questions during designated Q/A period.



For more information, visit education.ohio.gov



We appreciate your participation in today's session!



Today's Presenters

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Maintenance of Effort

Elementary and Secondary Education Act (ESEA) reauthorized by Every Student Succeeds Act (ESSA) - 8521

Individuals with Disabilities Education Act (IDEA) - 34 CFR 300.203





ESSA MOE





Requirement

 Districts must demonstrate that the expenditures from state and local funds remain relatively constant year to year, unless a waiver is granted from U.S. Dept. of Education Secretary. District's combined fiscal effort of state and local expenditures in one year must be at least 90 percent of prior year expenditures in

> Aggregate or

- –Per pupil
- State annually determines whether a district has maintained effort.





Failure to Meet the Requirement

The Department must reduce the amount of funds under a covered program* in any fiscal year in the exact proportion** by which the district fails to maintain effort by falling below 90 percent of both the combined fiscal effort of:

- 1. the aggregate expenditures and
- 2. the per pupil expenditures if
- 3. the district also failed MOE in one or more of the five prior years.

^{**} Department uses the measure most favorable to the district.





^{*} Covered Programs: I-A, I-C, I-D, II-A, III-A, IV-A, IV-B, V-B-2, VI-A-1 (if applicable)

Included Expenditures

These include:

- Administration
- >Instruction
- ➤ Attendance and Health Services
- ➤ Pupil Transportation Services

- ➤ Operation and Maintenance of buildings
- Fixed charges
- ➤ Net expenditures to cover deficits for food services and student body activities





Excluded Expenditures

Expenditures for community services, capital outlay, debt service

Supplemental expenses made as a result of a Presidentially declared disaster

Expenditures made from funds received under Title I





Data Sources

Student Enrollment (Report Card)

➤ EMIS final student reporting period S

Expenditures

- ➤ EMIS period H (financial)
- > Expenditure per Pupil Categories
- > USAS fund code: 001 and 016





Classification for Expenditure Reporting

Step 1 Exclude by fund	Step 2 Exclude by object	Step 3 Exclude by function	exclude by Classify by Classify by		Step 6 Classify by function	Step 7 Classify by OPU	If Elementary-Secondary Expenditure is	Then the Expenditure is treated as		
	Exclude objects 470-479, 810-819, 881, 891, 900-969	Exclude functions 7000-7990	1000-1390, 1900-1990, 4100-4390, 4600-4690			Instruction		Included -		
					2100-2190 (except 2110, 2121, 2131, 2141, 2151,		Pupil Support Services	11.2	Classroom - instructional	
					2200-2290 (except 2211, 2221, 2231)		Instructional Staff Support Services	11.3		
					2300-2419	2110, 2121, 2131, 2141, 2151, 2171, 2211, 2221, 2231 and 2490 if OPU = central	General Administration	11.4		
					2420-2429	2110, 2121, 2131, 2141, 2151, 2171, 2211, 2221, 2231 and 2490 if any other OPU	School Administration	11.5	Included - Non-classroom	
Only funds					2700-2790		Operation and Maintenenace of Plant	11.6	1	
001 and					2800-2890		Pupil Transportation	11.7		
016 are					2500-2690, 2900-2990		Other and Non-specified Support	11.8		
included.					3100-3190		Elem-Sec Noninstructional Food Service	11.9	1	
All other funds are			All fund 011, 014, 020		3300, 3400-3431		Elem-Sec Noninstructional - Enterprise Operations	II.10		
excluded.					3900, 4500-4590		Elem-Sec Noninstructional - Other	II.11	1	
			All fund 013		3200-3250, 3290		Nonelem-sec Programs - Community Svcs	II.12	1	
			All fund 012, 413, 414, 426, 501, 535		1400-1490		Nonelem-sec Programs - Adult Ed	II.13		
			All fund 025, 401		3260		Nonelem-sec Programs - Other	11.14	1	
					5200-5900		Construction	III.1	Non-Operatin	
					5100		Land and Existing Structures	III.2	(Excluded)	
				645 (when function = instruction)			Equipment - Instructional	III.3		
				645 (any other function), 650, 660			Equipment - Other	III.4		
							Payments to Other Governments	IV.3-5	1	
					6000-6100		Interest on Debt	IV.6	1	





Classification for Revenue Reporting

Step 1 Include by fund	Step 2 Classify by Receipt Code	Revenue Source defined as	Rolls up to		
Include funds:	1100-1199	Local Sources			
	1200-2999	Other Non-Tax Sources	Operating Revenue		
001, 016	3100-3499	State Sources			
	4100-4499	Federal Sources			
	5000-5399	Other Revenue Sources	Non-operating Revenue		





Example of Calculation

District	FY15 ADM	FY15 GF	FY16 ADM	FY16 GF	FY15 PPE	FY16 PPE	MOE GF	MOE PPE
LEA 1	1,000	\$10,000,000	980	\$8,500,000	\$10,000.00	\$8,673.47	-5.56%	-3.63%

Compare FY16 GF (\$8,500,000) to 90% of FY15 GF (\$9,000,000).

Compare FY16 PPE (\$8,673.47) to 90% of FY15 PPE (\$9,000.00).

Calculation is performed in FY17. LEA may apply for a waiver from the U.S. Dept. of Education Secretary.

The percentage by which FY18 ESSA covered programs allocations must be reduced if the LEA does not receive a waiver from the U.S. Dept. of Education Secretary is:

3.63%





Waiver to ESSA Maintenance of Effort

WAIVER – U.S. Department of Education Secretary may waive the requirement if it is determined a waiver is equitable due to:

- Exceptional or uncontrollable circumstances; or
- Precipitous decline in a district's financial resources.





IDEA MOE





Requirement

- Unless an exception applies, districts special education expenditures from at least one of the following sources must equal or exceed the previous year:
 - Local funds only;
 - Combination of state and local funds;
 - Local funds only per capita; or
 - Combination of state and local funds per capita.
- State annually determines whether a district has maintained effort via Web application in SAFE.





Four Methods

Local Only Amount

State and Local Amount

Local Only Per Capita

State and Local Per Capita





Failure to Meet Requirement

The school/district must repay the shortfall from the previous year's expenditures out of state and local funds. The maximum amount possible is the school/district's IDEA allocation for the year of the shortfall.

The Maintenance of Effort amount is NOT reduced and in the succeeding year the school/district must meet or exceed the last amount for which the district was passed.





Included Expenditures

For special education only:

- Administration (including case management)
- Instruction
- Related Services

- Pupil Transportation Services
- > Equipment
- Special education staff





Excluded Expenditures

Expenditures made from funds by the Federal Government — Does not include IDEA funds





Exceptions to Requirement

- Voluntary departure or departure for just cause of special ed personnel
- Enrollment decrease of students with disabilities
- Termination of district obligation to provide exceptionally costly special ed program to a student, as determined by ODE
- District termination of costly expenditures of longterm purchases
- Cost assumed by state's high cost fund





Data Sources

Students with Disabilities Enrollment

EMIS final student reporting

State and Local Funds

- ➤ EMIS period H (financial)
- ➤ USAS fund code: 001-300, 400-499 and 532
- > Special education functions





Classification for Expenditure Reporting

Fund: 001-300, 400-499, and 532.

Function: 1220-1229, 1230-1239, 1240-1249, 1280, 1290, 1330-1339, 1350, 2140-2149, 2150-2159, 2180-2189, 2416, 2417, 2821 and 3412

Object: 100 -190, 200-292, 400-499, 500-590, 600-690 and 844.

Function Codes

1230-1239	Special Education Instruction – K-6
1240-1249	Special Education Instruction – 7-12
1280	Preschool Special Education
1290	Other Special Education
1330-1339	Vocational Special Education – 7-12
1350	Special Education Vocational Co-op Program
2140-2149	Psychological Services
2150-2159	Speech Pathology and Audiology
2180-2189	Support Services for Students with Disabilities (SWD)
2416	Special Education – Administration/Supervisors
2417	Special Education – Support Services
2821	Transportation for SWD





Differences between IDEA and ESEA MOE

IDEA MOE must be met at 100%

(There are allowable exceptions.)





Differences between IDEA and ESEA MOE

No Waivers for IDEA MOE





Differences between IDEA and ESEA MOE

No Financial Hardship Exemptions for IDEA MOE



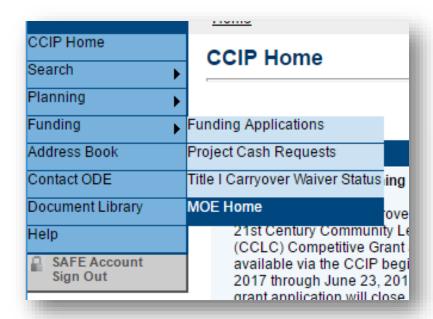


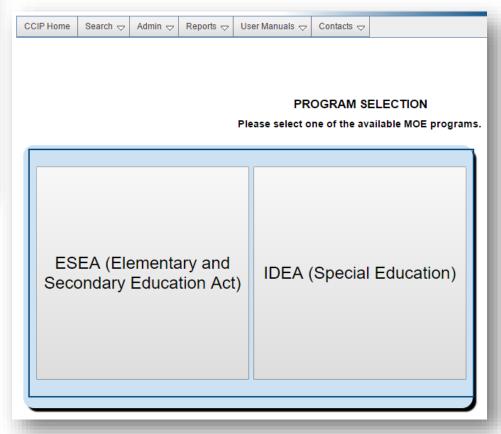
IDEA Hidden Issues

 Districts who Pass MOE in the currently reviewed year have incorrectly inflated expenditures. Many times this causes failure in the succeeding year.

 ESC increases efficiency thus reducing MOE expenditures for client district.

Getting There









MOE Module in CCIP

- Located behind SAFE account
- Integrated with EMIS
- Automated ESEA and IDEA MOE Calculations
- Automated Messages/Reminders
- Reports for State and USDOE
- History Log
- Audit Log





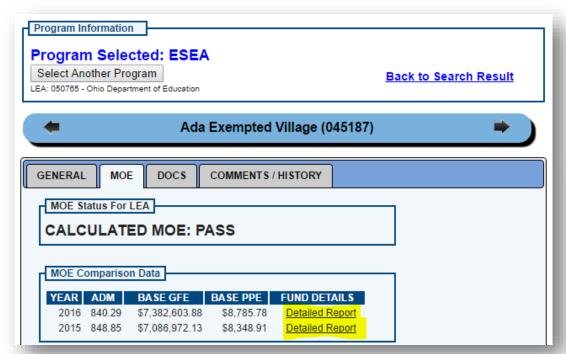
Maintenance of Effort System

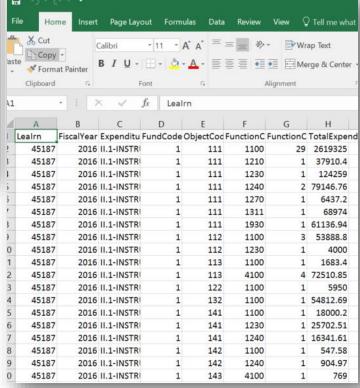
- MOE Tab: District's Status: PASS or FAIL or Data Missing
- DOCS Tab: Upload Waiver and Supporting Documentation (ESEA only)
- COMMENTS/HISTORY Tab: Enter comments to the department; History tracks data updates





ESEA MOE Reports

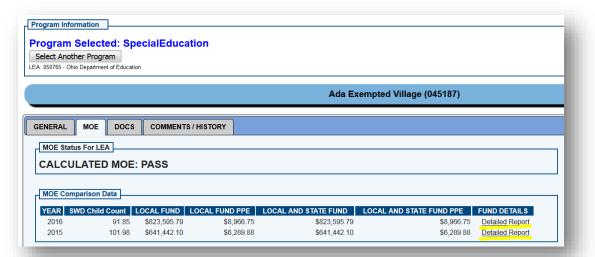


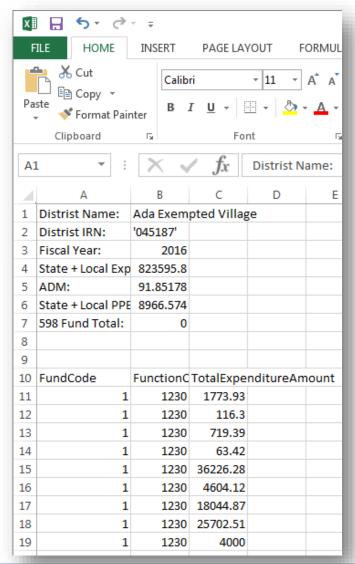






IDEA MOE Reports









District MOE Timeline

July 2016 to June 2017	Code your expenditures using proper USAS codes to account for Special Education expenditures and all other expenditures in your accounting software				
June 2017	MOE System opens, pulls data from EMIS and performs the calculation – districts should log in to the system and check if they meet MOE				
June – August 2017	District reported data in EMIS is monitored to make sure it is correct				
September 2017 and forward	ODE's Office of Federal Programs and Office for Exceptional Children will work with districts that failed MOE				





EMIS Timeline

Collection Request Name and Code	Data Set	Collection Open Date	Collection Close Date	Appeal Open Date	Appeal Close Date
Main Student					
Collections					
End of Year Student Collection (FY17) (2017S3TRD)	S	5/2/2017	7/28/2017	7/31/2017	8/8/2017
SOES End of Year Student Collection (FY17) (2017SBODE)	S	1/3/2017	7/28/2017	7/31/2017	8/8/2017
Financial					
Collections					
Financial FY17 Reporting Period (2017H0000)	Н	5/16/2017	8/31/2017	9/18/2017	9/29/2017

For more information about EMIS collection timelines and appeals, see education.ohio.gov/EMIS





Issues





Common Mistakes

 No financial data was reported into EMIS for the fiscal year by the close of the reporting window or during the appeal window.



Common Mistakes

 Data as reported to EMIS had issues – there were errors that were not resolved prior to the close of the reporting window or during the appeal window.



Common Mistakes

 When submitting updated expenditure data to EMIS for certain records, districts have overwritten previously entered amounts with \$0 because "no changes" were reported for the other records.

 The entire full financial data set needs to be uploaded in order to avoid this issue.





USAS Coding Issues

- A community school does not adhere to USAS codes to classify expenditures
- Coding a certain expenditure that should be excluded per EPP as the one that is included and vice versa (ESEA)
- Coding all expenditures as purchased services instead of breaking it to the granular level
- Coding of certain special education expenditures changed from one year to the next
- Some districts code all transportation in previous years as special education and then correct the coding in latest MOE year causing an MOE issue.





Accounting Practices Changes

 Coding of certain expenditures changed from one year to the next (for example, lease payments were coded using 2700 function, but in the following year changed to 5500 function).



Fiscal Operations Issues

- Community School pays for the services provided in prior fiscal year in the subsequent fiscal year and it impacts the total expenditure in both years. First year – too low, the next year – too high.
- ESC billing and payment occurred out of the school year. This includes credits from the previous year.



Questions?







