



Maintenance of Effort: ESSA and IDEA

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Ohio | Department
of Education

Ohio Association of
School Business Officials
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Navigating the Webcast



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We appreciate your participation in today's session!

Today's Presenters

Ohio Department of Education

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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.*

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

** Department **uses the measure most favorable** to the district.

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	Step 4 Classify by fund	Step 5 Classify by object	Step 6 Classify by function	Step 7 Classify by OPU	If Elementary-Secondary Expenditure is...		Then the Expenditure is treated as...		
Only funds 001 and 016 are included. All other funds are excluded.	Exclude objects 470-479, 810-819, 881, 891, 900-969	Exclude functions 7000-7990			1000-1390, 1900-1990, 4100-4390, 4600-4690		Instruction	II.1	Included - Classroom Instructional		
					2100-2190 (except 2110, 2121, 2131, 2141, 2151,		Pupil Support Services	II.2			
					2200-2290 (except 2211, 2221, 2231)		Instructional Staff Support Services	II.3			
							2300-2419	2110, 2121, 2131, 2141, 2151, 2171, 2211, 2221, 2231 and 2490 if OPU = central	General Administration	II.4	Included - Non-classroom
							2420-2429	2110, 2121, 2131, 2141, 2151, 2171, 2211, 2221, 2231 and 2490 if any other OPU	School Administration	II.5	
							2700-2790		Operation and Maintenance of Plant	II.6	
							2800-2890		Pupil Transportation	II.7	
							2500-2690, 2900-2990		Other and Non-specified Support	II.8	
							3100-3190		Elem-Sec Noninstructional Food Service	II.9	
						All fund 011, 014, 020		3300, 3400-3431	Elem-Sec Noninstructional - Enterprise Operations	II.10	
								3900, 4500-4590	Elem-Sec Noninstructional - Other	II.11	
						All fund 013		3200-3250, 3290	Nonelem-sec Programs - Community Svcs	II.12	
						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	II.14	
								5200-5900	Construction	III.1	Non-Operating (Excluded)
								5100	Land and Existing Structures	III.2	
							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	
								6000-6100	Interest on Debt	IV.6	

Classification for Revenue Reporting

Step 1 Include by fund	Step 2 Classify by Receipt Code	Revenue Source defined as...	Rolls up to...
Include funds: 001, 016	1100-1199	Local Sources	Operating Revenue
	1200-2999	Other Non-Tax Sources	
	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 long-term 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

A screenshot of a web application's navigation menu. The menu is a vertical list of blue buttons with white text. The items are: CCIP Home, Search, Planning, Funding, Address Book, Contact ODE, Document Library, Help, and a grey button for SAFE Account Sign Out. To the right of the menu, a dropdown menu is open, showing the following items: CCIP Home, Funding Applications, Project Cash Requests, Title I Carryover Waiver Status ing, MOE Home, and a section for 21st Century Community Learning Centers (CCLC) Competitive Grants. The text for the CCLC section reads: "21st Century Community Learning Centers (CCLC) Competitive Grants are available via the CCIP beginning in 2017 through June 23, 2017. The grant application will close on June 23, 2017."

A screenshot of a web application page titled "PROGRAM SELECTION". At the top, there is a navigation bar with the following items: CCIP Home, Search, Admin, Reports, User Manuals, and Contacts. Below the navigation bar, the page content is centered and reads: "PROGRAM SELECTION" followed by "Please select one of the available MOE programs." Below this text is a large blue-bordered box containing two white rectangular buttons. The left button is labeled "ESEA (Elementary and Secondary Education Act)" and the right button is labeled "IDEA (Special Education)".

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

Program Information

Program Selected: ESEA

Select Another Program [Back to Search Result](#)

LEA: 050765 - Ohio Department of Education

← **Ada Exempted Village (045187)** →

GENERAL | **MOE** | DOCS | COMMENTS / HISTORY

MOE Status For LEA

CALCULATED MOE: PASS

MOE Comparison Data

YEAR	ADM	BASE GFE	BASE PPE	FUND DETAILS
2016	840.29	\$7,382,603.88	\$8,785.78	Detailed Report
2015	848.85	\$7,086,972.13	\$8,348.91	Detailed Report

Lealrn	FiscalYear	Expenditu	FundCode	ObjectCoc	FunctionC	FunctionC	TotalExpend
45187	2016	II.1-INSTR	1	111	1100	29	2619325
45187	2016	II.1-INSTR	1	111	1210	1	37910.4
45187	2016	II.1-INSTR	1	111	1230	1	124259
45187	2016	II.1-INSTR	1	111	1240	2	79146.76
45187	2016	II.1-INSTR	1	111	1270	1	6437.2
45187	2016	II.1-INSTR	1	111	1311	1	6897.4
45187	2016	II.1-INSTR	1	111	1930	1	61136.94
45187	2016	II.1-INSTR	1	112	1100	3	53888.8
45187	2016	II.1-INSTR	1	112	1230	1	4000
45187	2016	II.1-INSTR	1	113	1100	1	1683.4
45187	2016	II.1-INSTR	1	113	4100	4	72510.85
45187	2016	II.1-INSTR	1	122	1100	1	5950
45187	2016	II.1-INSTR	1	132	1100	1	54812.69
45187	2016	II.1-INSTR	1	141	1100	1	18000.2
45187	2016	II.1-INSTR	1	141	1230	1	25702.51
45187	2016	II.1-INSTR	1	141	1240	1	16341.61
45187	2016	II.1-INSTR	1	142	1100	1	547.58
45187	2016	II.1-INSTR	1	142	1240	1	904.97
45187	2016	II.1-INSTR	1	143	4100	1	769

IDEA MOE Reports

Program Information

Program Selected: SpecialEducation

Select Another Program

LEA: 050765 - Ohio Department of Education

Ada Exempted Village (045187)

GENERAL MOE DOCS COMMENTS / HISTORY

MOE Status For LEA

CALCULATED MOE: PASS

MOE Comparison Data

YEAR	SWD Child Count	LOCAL FUND	LOCAL FUND PPE	LOCAL AND STATE FUND	LOCAL AND STATE FUND PPE	FUND DETAILS
2016	91.85	\$823,595.79	\$8,966.75	\$823,595.79	\$8,966.75	Detailed Report
2015	101.98	\$641,442.10	\$6,289.88	\$641,442.10	\$6,289.88	Detailed Report

Microsoft Excel interface showing the MOE report data in a spreadsheet format.

	A	B	C	D	E
1	District Name:	Ada Exempted Village			
2	District IRN:	'045187'			
3	Fiscal Year:	2016			
4	State + Local Exp	823595.8			
5	ADM:	91.85178			
6	State + Local PPE	8966.574			
7	598 Fund Total:	0			
8					
9					
10	FundCode	FunctionC	TotalExpenditureAmount		
11		1 1230	1773.93		
12		1 1230	116.3		
13		1 1230	719.39		
14		1 1230	63.42		
15		1 1230	36226.28		
16		1 1230	4604.12		
17		1 1230	18044.87		
18		1 1230	25702.51		
19		1 1230	4000		

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)	H	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?

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