



Individuals with Disabilities Education Act Maintenance of Effort

Chris Brown
Director of Operations
Exceptional Student Services

July 21, 2022



Exceptional
Student Services

Topics

- Regulations
- Financial Submission Requirements
- Planning for Maintenance of Effort
 - Timelines
 - Data Resources
- Landscape of Special Education Funding Sources
- Data Report Out
- Upcoming Changes & Tips
- Closing



General Terminology

- IDEA – Individuals with Disabilities Education Act
- ADE – Arizona Department of Education
- ESS – Exceptional Student Services
- MOE – Maintenance of Effort
- PEA – Public Education Agency
- IDEA Part B Funds – IDEA Basic and IDEA Preschool grants
- Budget – Budget generally due to School Finance on July 15 for an upcoming or beginning fiscal year
- AFR – Annual Financial Report due to School Finance on October 15 for the prior fiscal year



General Terminology (continued)

- M&O – Maintenance and Operations
- Comparison Year – the last year a method passed the MOE requirement and established a compliance or eligibility standard
- Testing Year – the year that the PEA is testing for
- Compliance Test – compares the PEA's spending in a fiscal year against comparison year values (AFR to AFR)
- Eligibility Test – compares the PEA's budget against comparison year values (Budget to AFR)
- AzEDS – Arizona's student accountability system which all PEAs must submit student data into



Regulations

IDEA MOE Requires PEAs to maintain fiscal effort by budgeting enough local funds in order to access IDEA Part B Funds.

Subsequently, PEAs are tested for compliance to ensure that the PEA did not reduce the level of expenditures from local funds when drawing down federal funds.

- [34 CFR 300.203\(a\)](#) provides the eligibility standard which ensures the PEAs are budgeting enough funds
- [34 CFR 300.203\(b\)](#) gives criteria for the compliance standard which ensures the PEAs did not supplant using federal funds



Regulations (continued)

PEAs can maintain fiscal effort by individual calculations within each test. Only one calculation must pass, with the two primary calculations utilized by most PEAs being state special education expenditures at an aggregate level or at a per-pupil level.

Some exceptions may be granted in scenarios when a PEA cannot maintain fiscal effort. [34 CFR 300.204](#) list the circumstances for when these exceptions may be applied.



Financial Submission Requirements

IDEA MOE testing requires accurate financial submissions required by ADE every year. Specifically, values used in MOE testing are through submitted budgets (eligibility) and AFRs (compliance & budget).

PEAs must submit these files timely and accurate by these important due dates:

- Adopted Budgets submitted by July 15
- AFRs submitted by October 15

Updated information may be found on School Finance's [Website](#)



Financial Submission Requirements (continued)

IDEA MOE Testing uses the following values from each of the files:

- M&O Program 200 for all disability classifications
- IEP required pupil transportation costs

Upcoming Change

ESS must submit MOE information to the federal government for a school year by May of the following school year. ESS will be implementing more strict guidelines on AFR revisions through [ARS 15-915](#) for purposes of MOE testing in the future. The implementation for this change is slated to be in affect by school year 2023-2024.



Planning for Maintenance of Effort – Timelines

June to July

- Special education department and business office work together ensuring that budgeted state amounts accurately plan for the costs of your special education program
- Complete MOE Eligibility testing in order to access your IDEA Entitlement grant

October

- Special education department and business office work together ensuring that the AFR state amounts accurately represent expenditures for your special education program

March

- Complete MOE Compliance testing to prevent funding holds in your IDEA Entitlement grant, this date is planned to be moved closer to October in the future

Always

- Verify Student special education data is accurate in AzEDS (integrity rules) so that accurate special education average daily membership counts are accurate by the end of the year



Planning for Maintenance of Effort – Data Resources

ADEConnect

- **Exceptional Student Services Portal**
 - Houses the software programs for ESS, a one stop shop per se
 - Where the ESS MOE application resides for directors to complete MOE testing
 - Requires PEAs to sign off on a statement of assurance each year which attests that the PEA is ensuring it will meet all requirements of the IDEA

School Finance

- **LEA Resources**
 - Provides links to the auditor general's web page on budget forms and annual financial reports



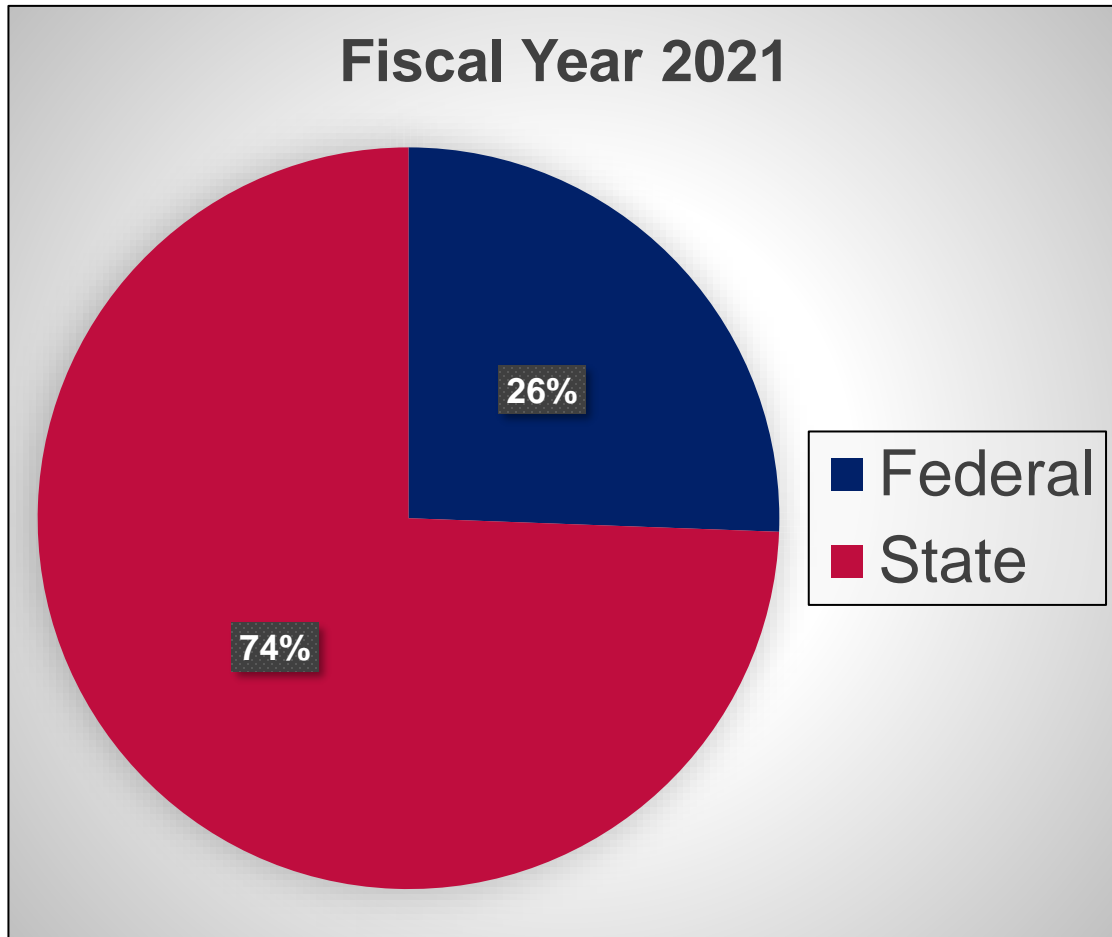
Planning for Maintenance of Effort – Data Resources (continued)

AzEDS

- **SPED20 – Special Education Program Summary ADM Report**
 - Provides the pupil counts which MOE uses for calculations
- **SPED72 – SPED Participation Report**
 - Quickly shows a roster of all special education (SPED) students and if they are passing or failing SPED and/or FED SPED integrity rules
- **SPED10 – SPED Data Verification Report**
 - Shows the raw data elements at a granular level for each student's least restrictive environment and disability to allow users to troubleshoot a data submission
- **INTEG15 – Student Data Integrity Report**
 - Shows students failing business rules which ensure clean data for business consumption
 - Three rules are important for special education purposes: ADM, SPED, FED SPED



Landscape of Special Education Funding Sources (1 of 5)



Fiscal Year	Source	Type	Amount
2021	SPED Group B Add-on Payments & Handicapped Transportation Support Level for ESY	State	\$ 581,621,137
2021	Special Education Fund	State	\$ 36,029,200
2021	IDEA Part B Assistance	Federal	\$ 205,130,169
2021	IDEA Part B Preschool Assistance	Federal	\$ 4,602,000
2021	IDEA Part B High Cost	Federal	\$ 2,596,881

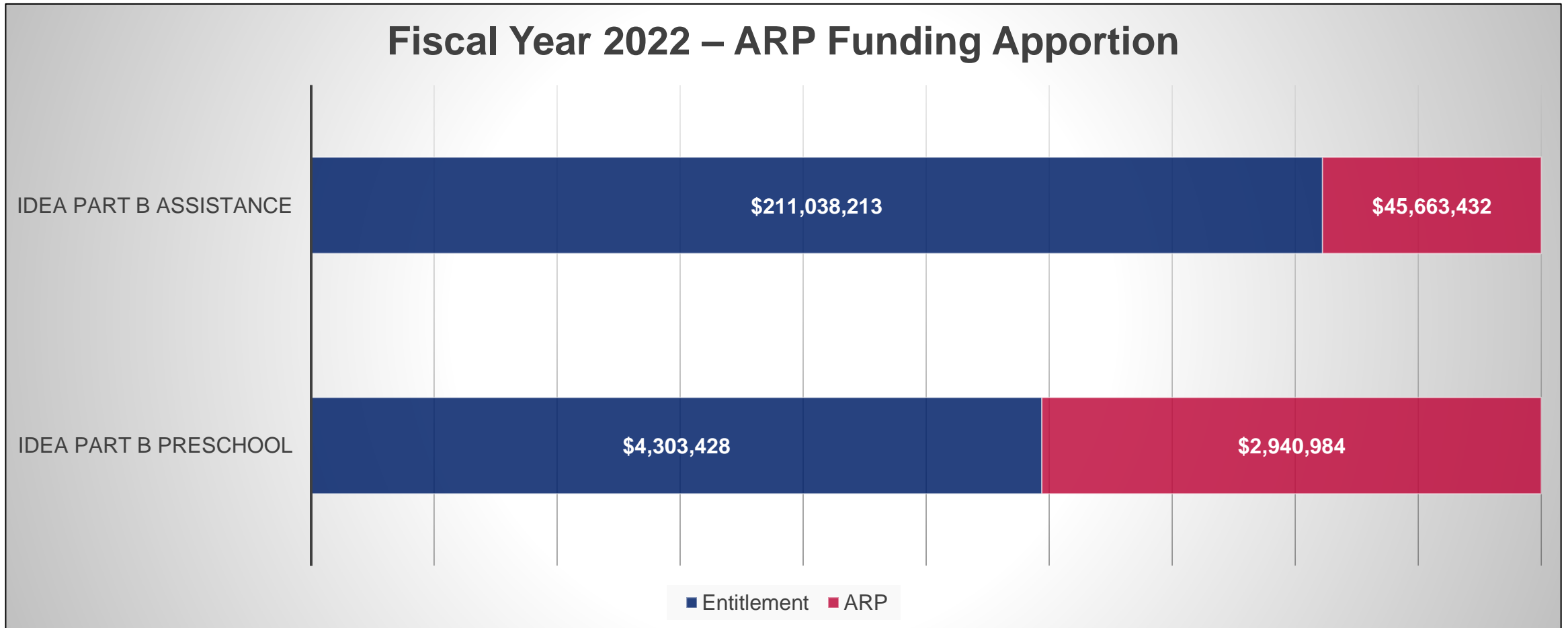


Landscape of Special Education Funding Sources (2 of 5)

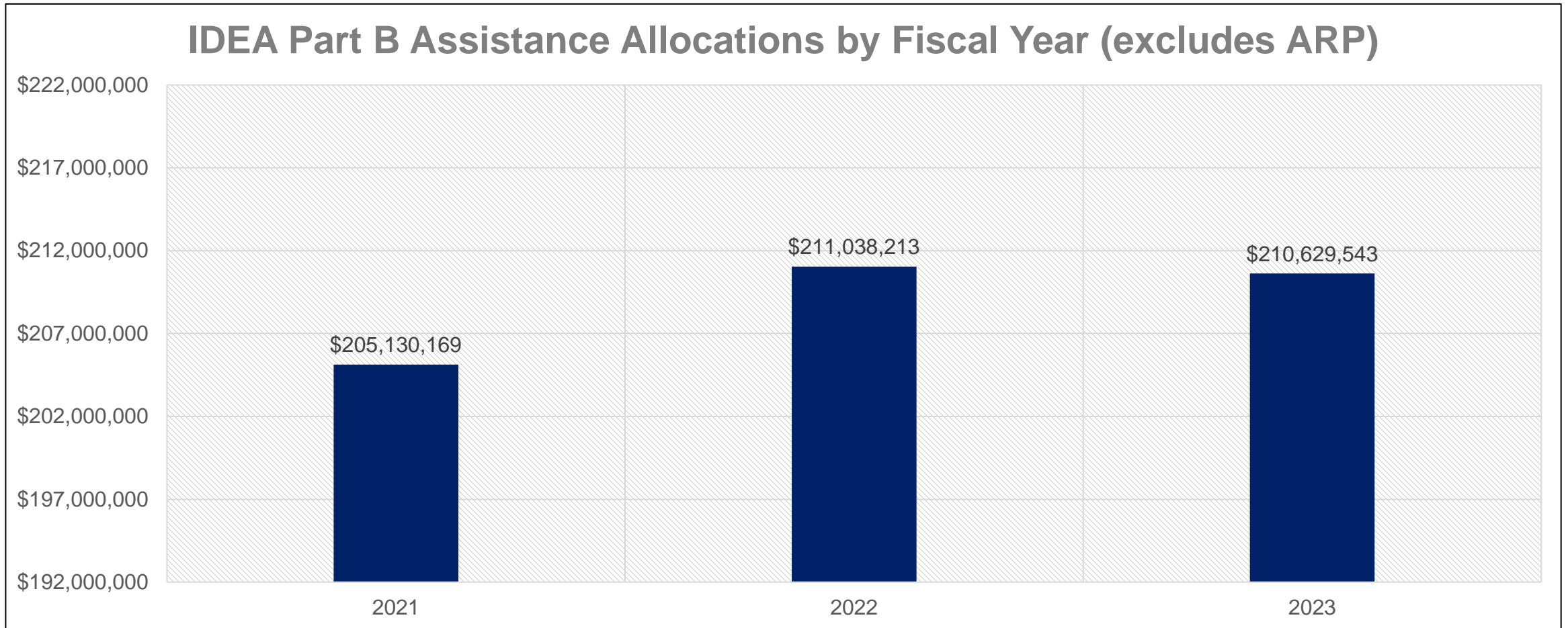
Fiscal Year	Source	Type	Amount
2022	IDEA Part B Assistance	Federal	\$ 211,038,213
2022	IDEA Part B Preschool Assistance	Federal	\$ 4,303,428
2022	IDEA Part B Assistance American Rescue Plan (ARP)	Federal	\$ 45,663,432
2022	IDEA Part B Preschool Assistance ARP	Federal	\$ 2,940,984
2022	IDEA Part B High Cost	Federal	\$ 2,121,683
2022	Extraordinary Special Education Needs Fund	State	\$ 4,900,000



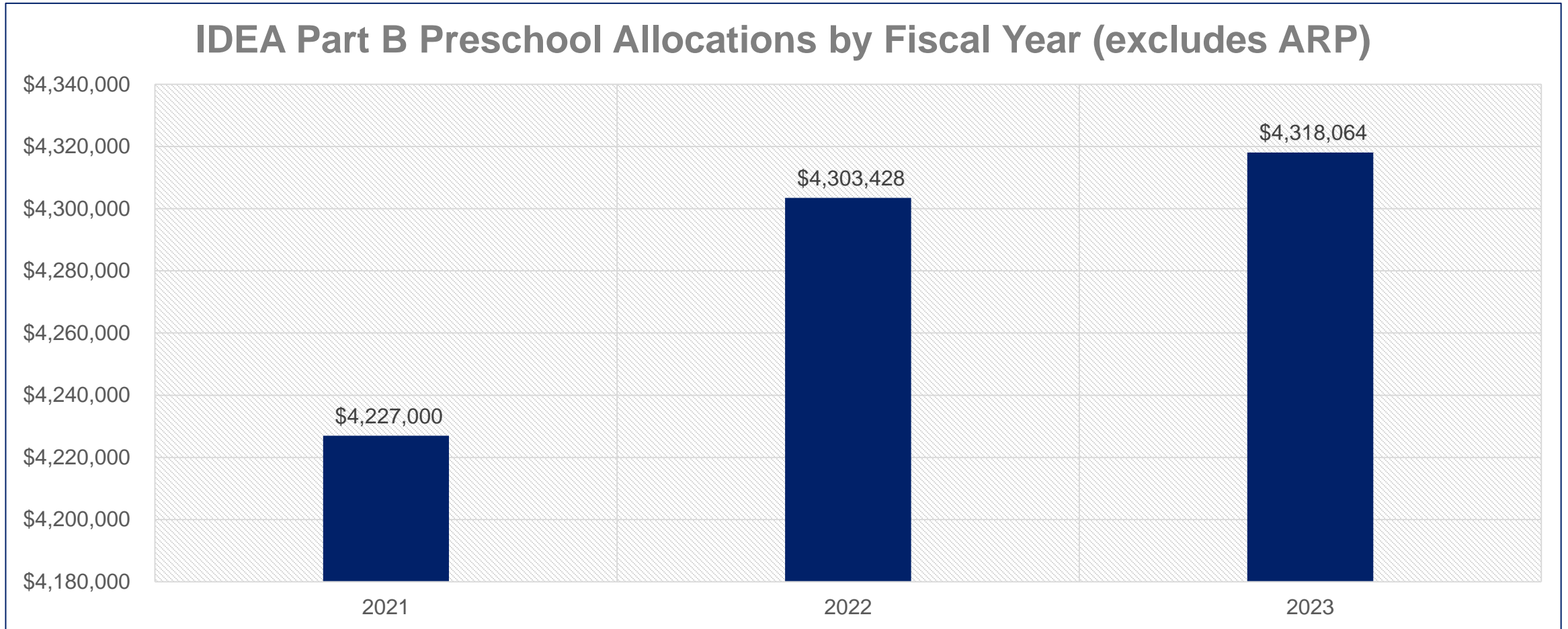
Landscape of Special Education Funding Sources (3 of 5)



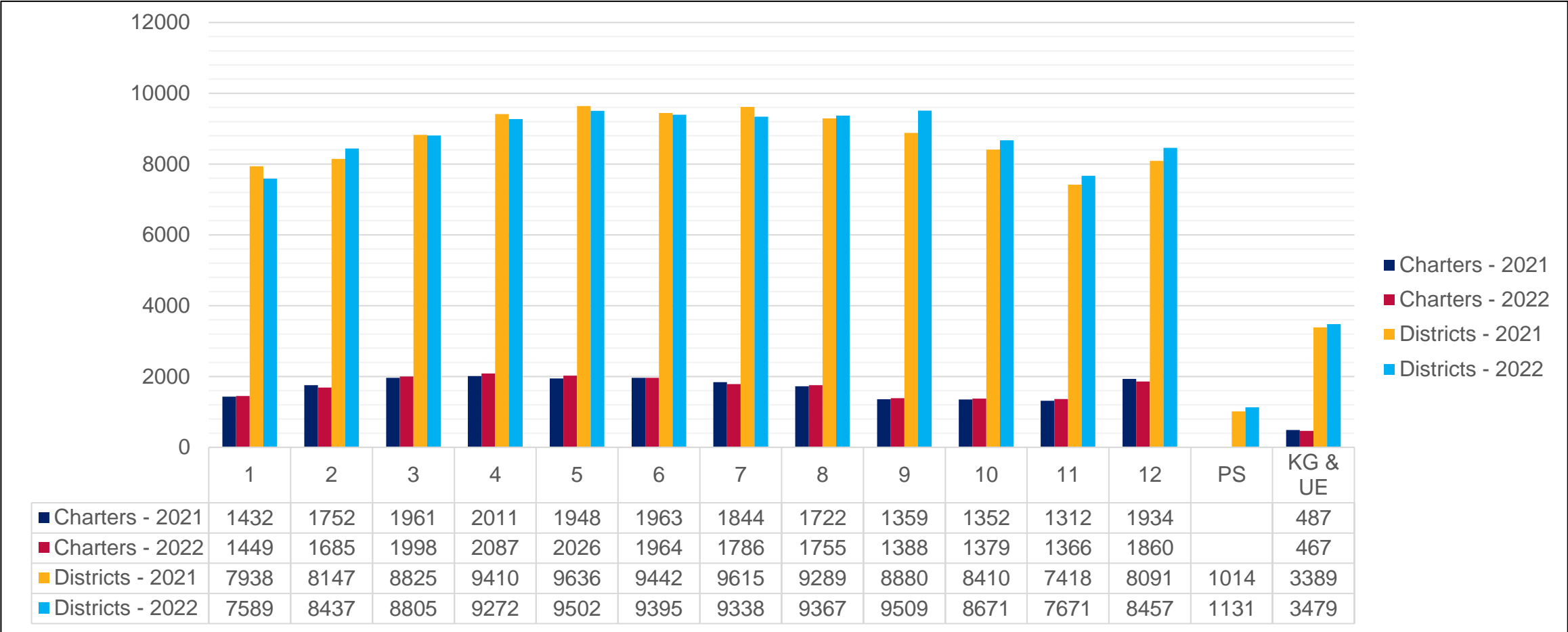
Landscape of Special Education Funding Sources (4 of 5)



Landscape of Special Education Funding Sources (5 of 5)

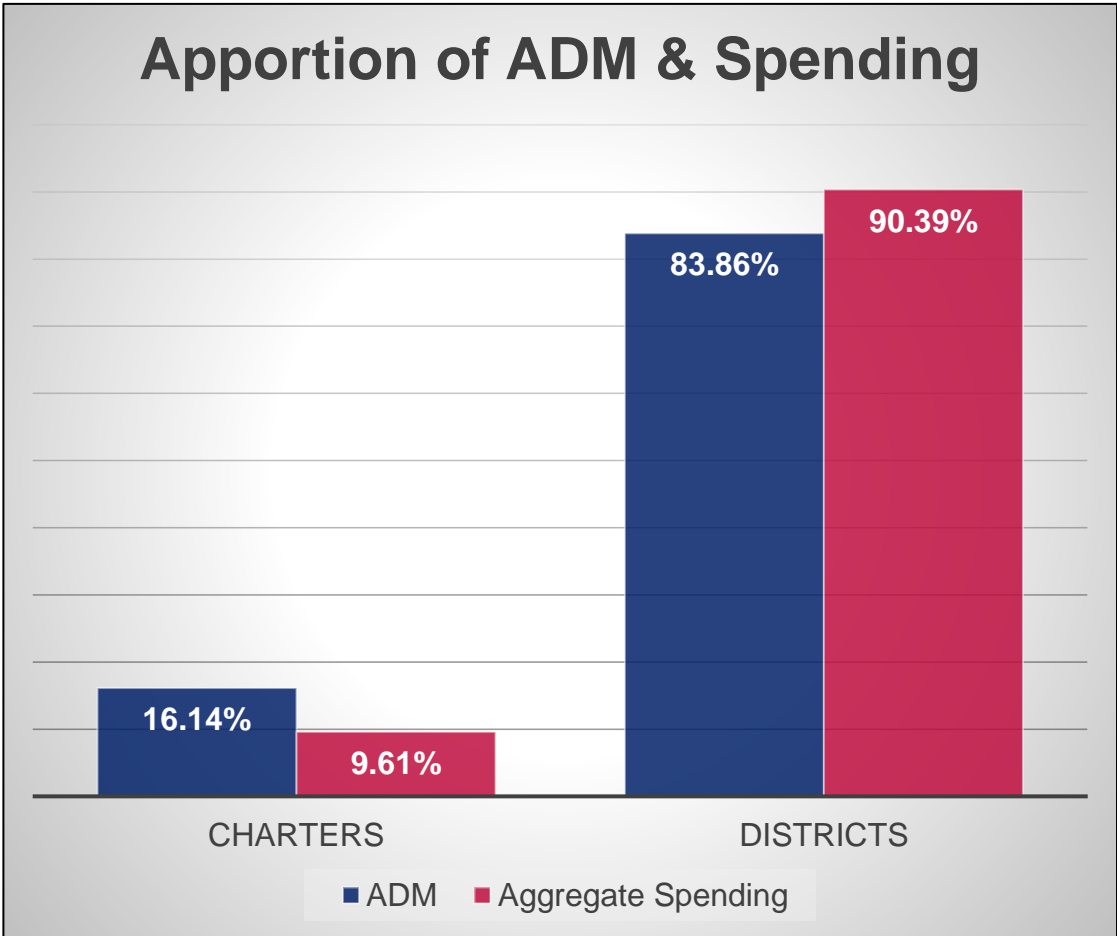


Data Report Out – SPED ADM Statewide

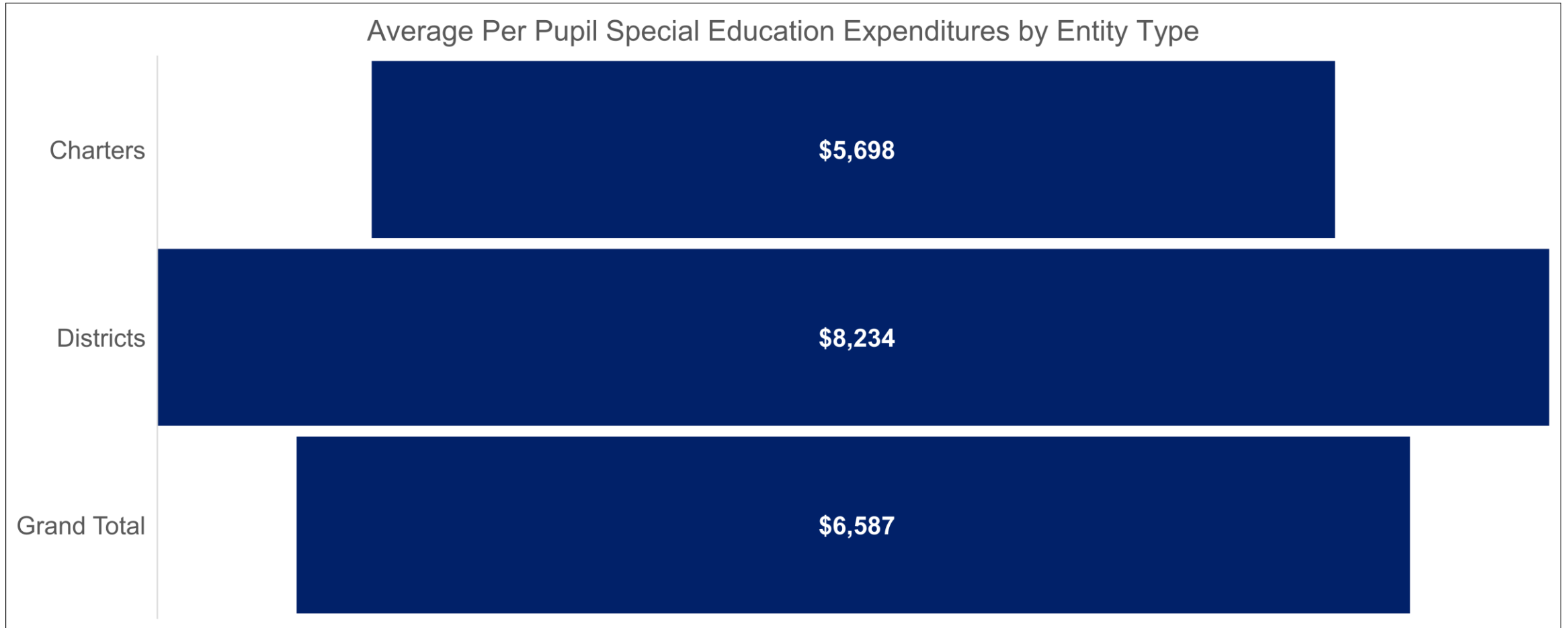


Data Report Out – Aggregate State Special Education Spending for Fiscal Year 2021

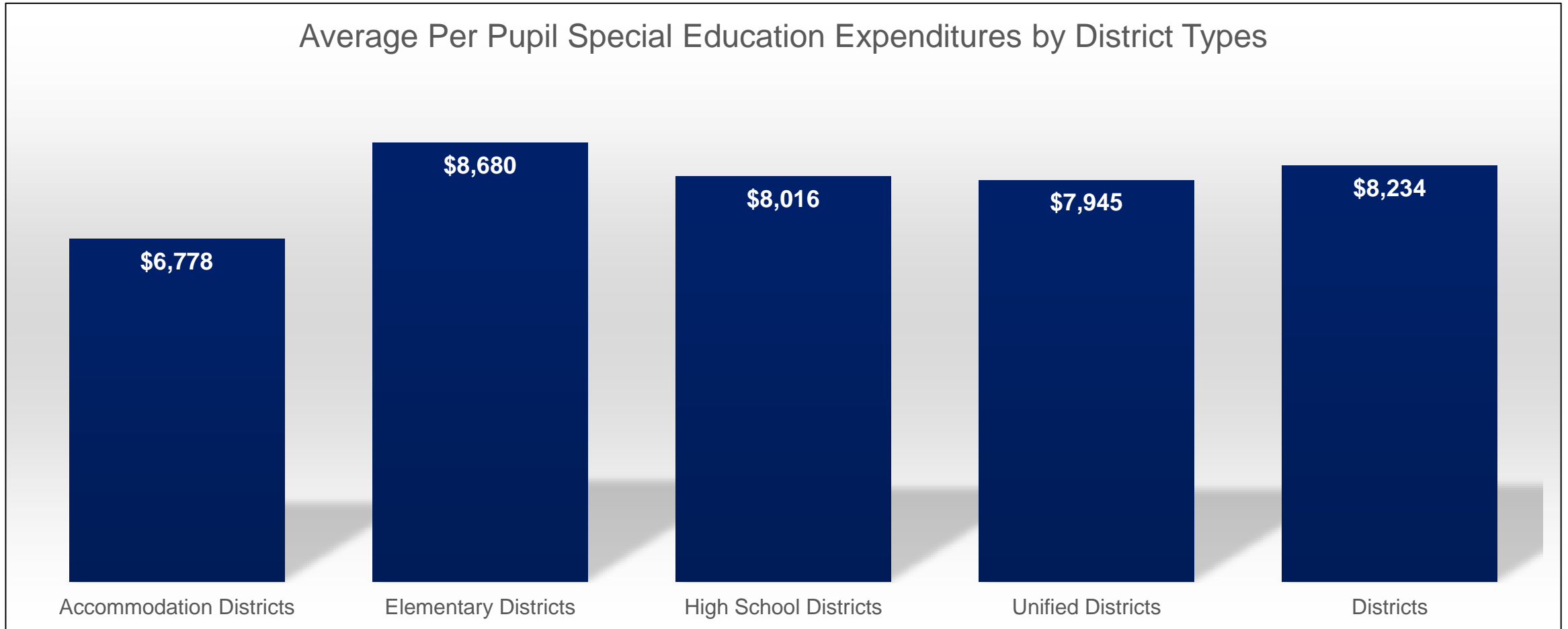
Type	SPED ADM	Aggregate Spending
Charters	21076	\$111,686,475
Districts	109504	\$1,050,331,861
Charters	16.14%	9.61%
Districts	83.86%	90.39%



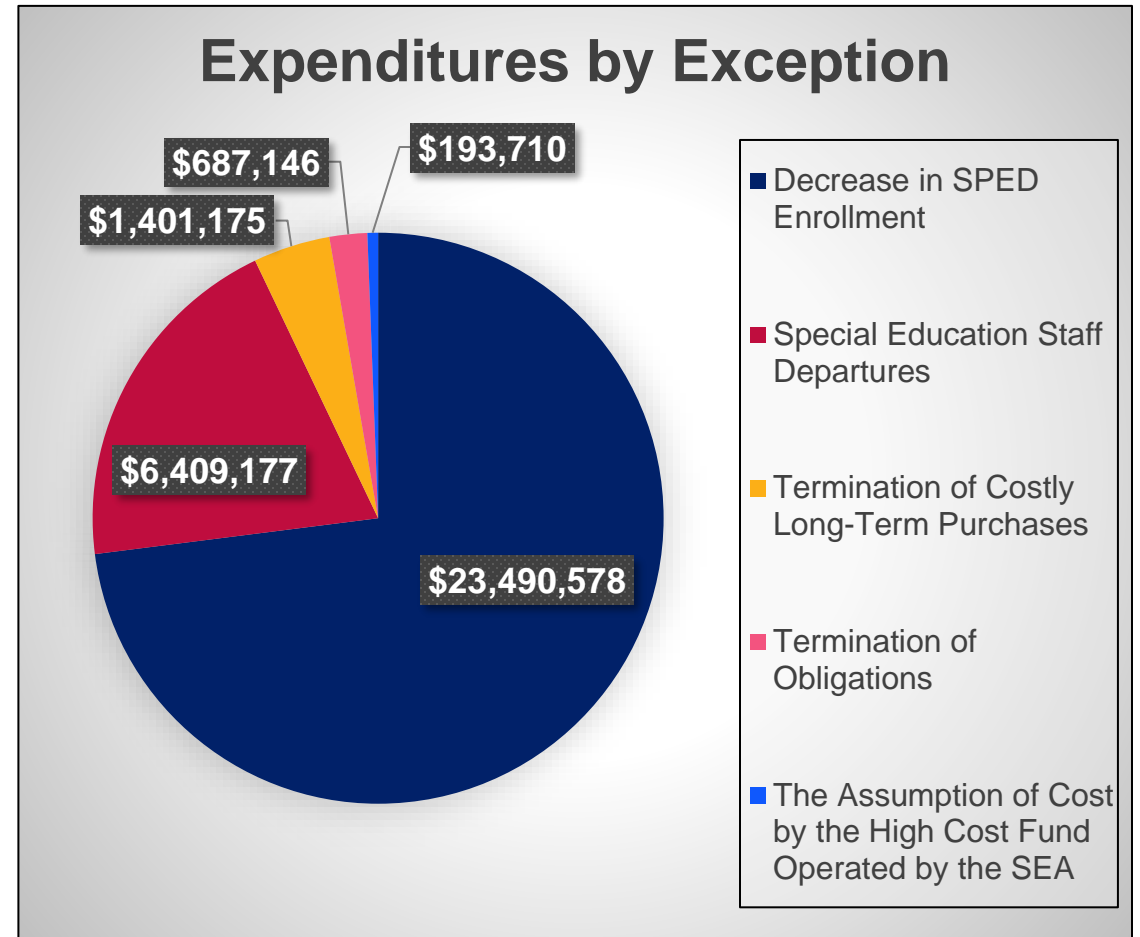
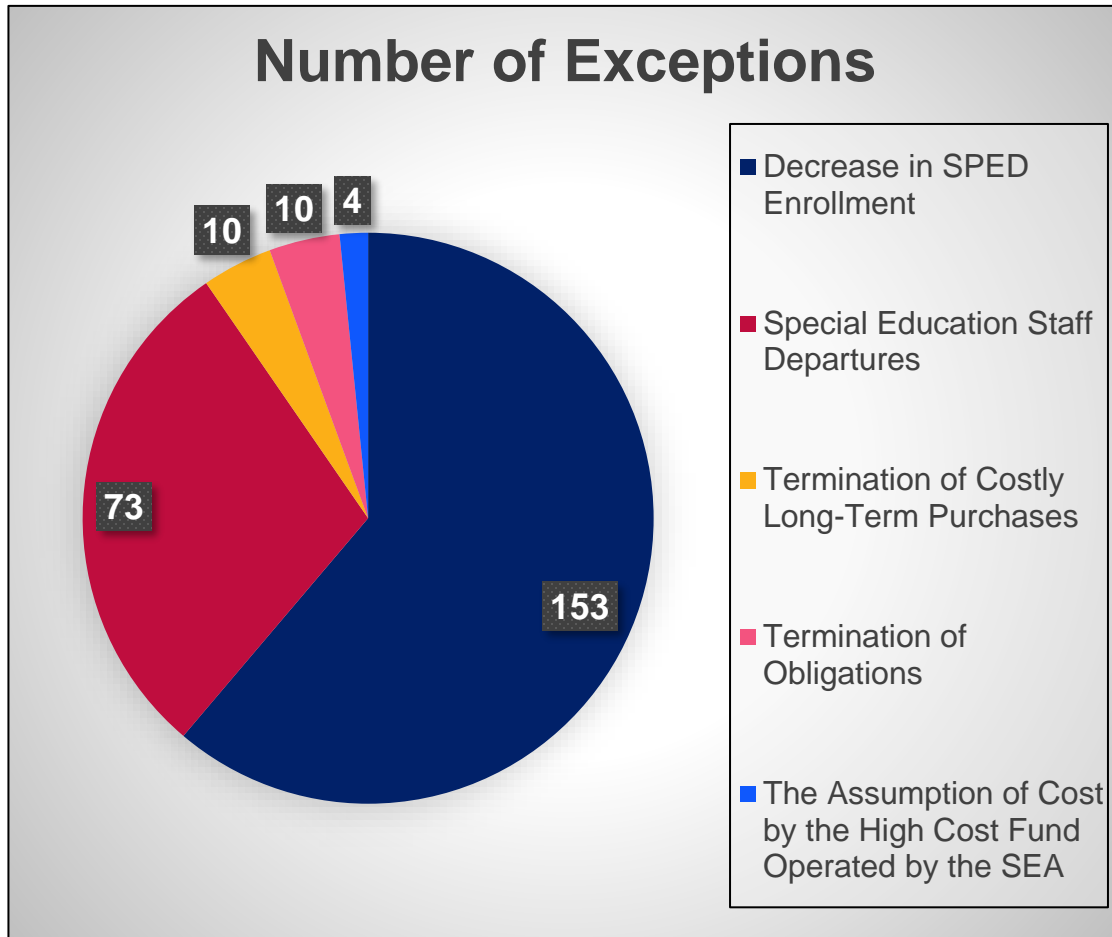
Data Report Out – Per Pupil Special Education Spending for Fiscal Year 2021



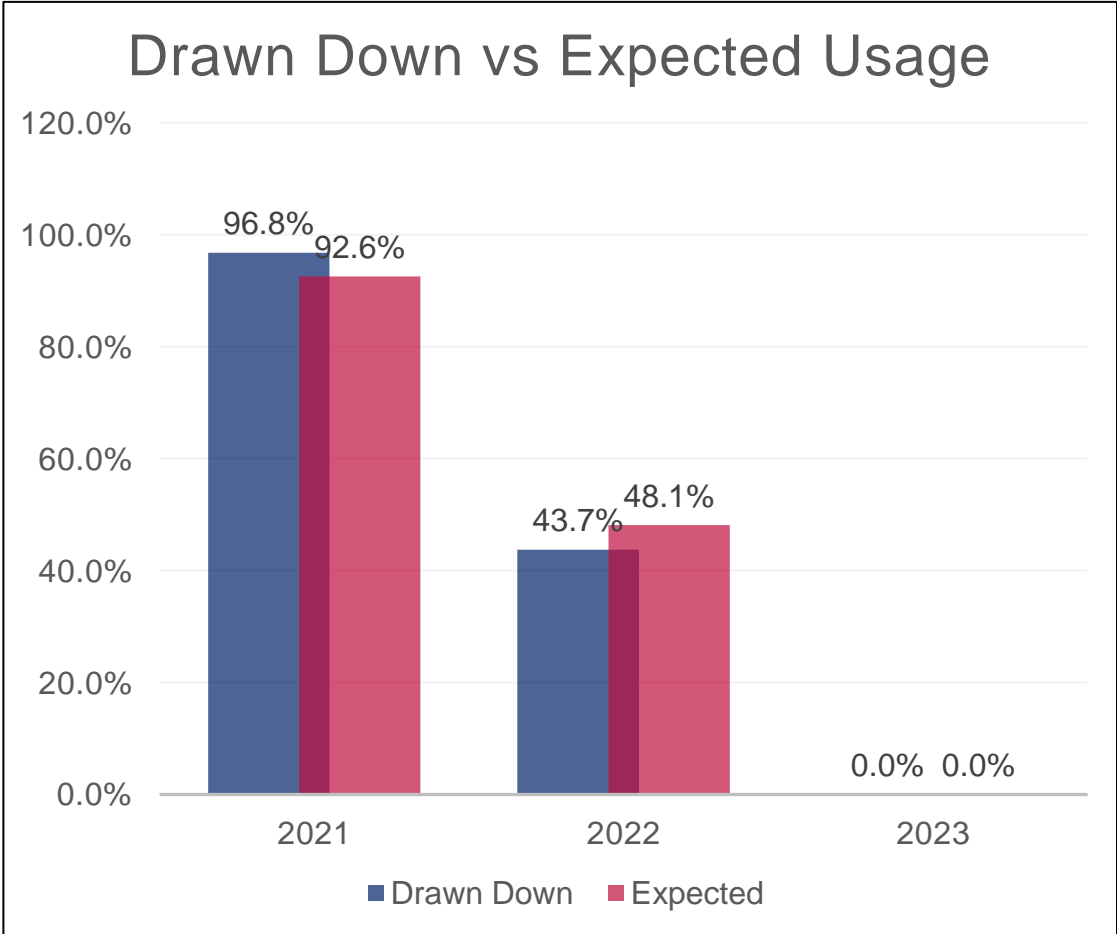
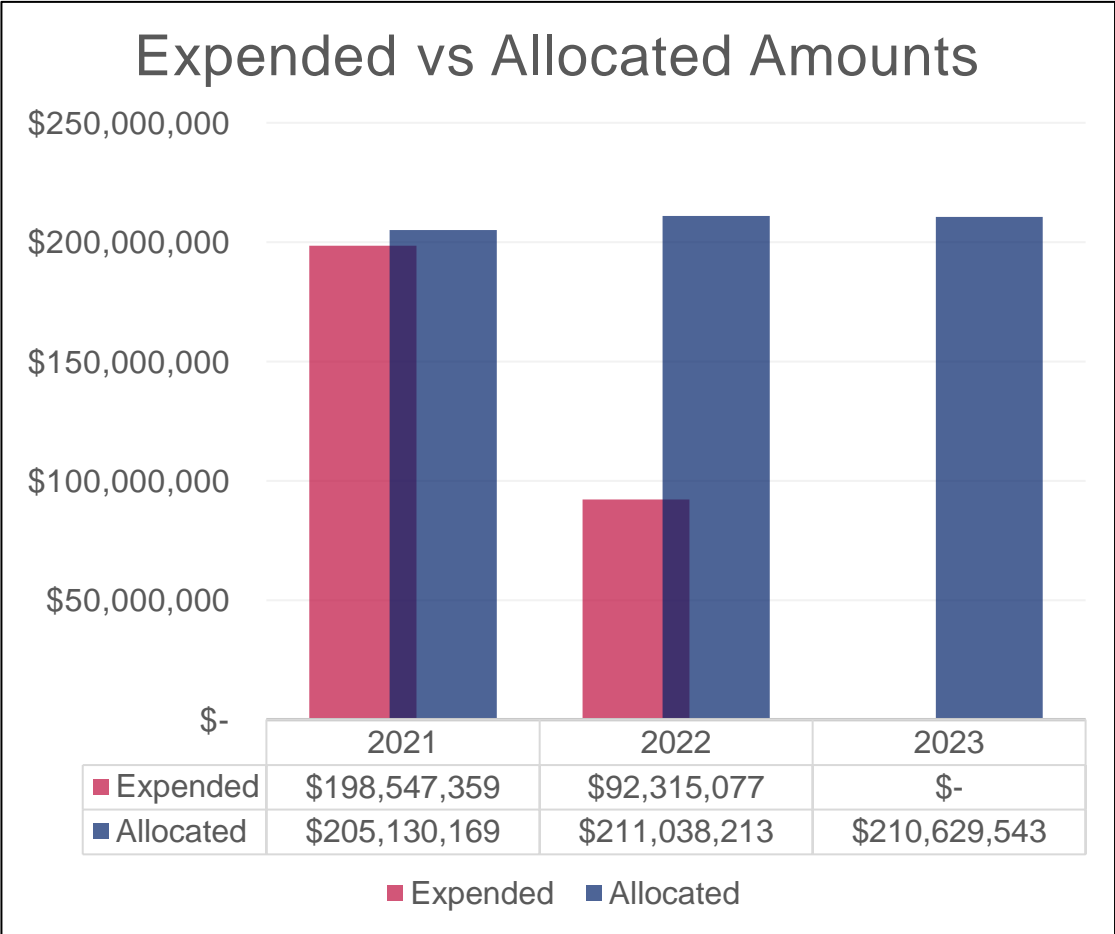
Data Report Out – Per Pupil Special Education Spending for Fiscal Year 2021 (continued)



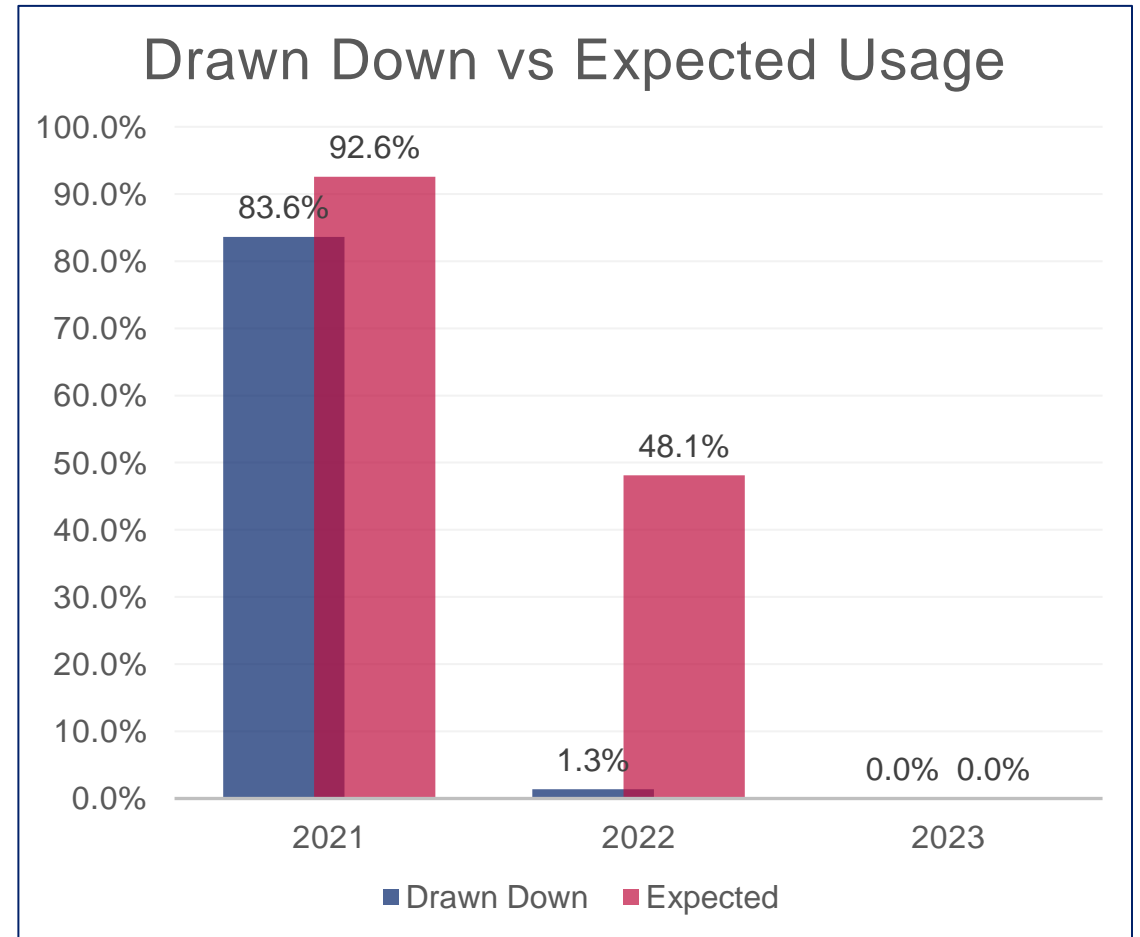
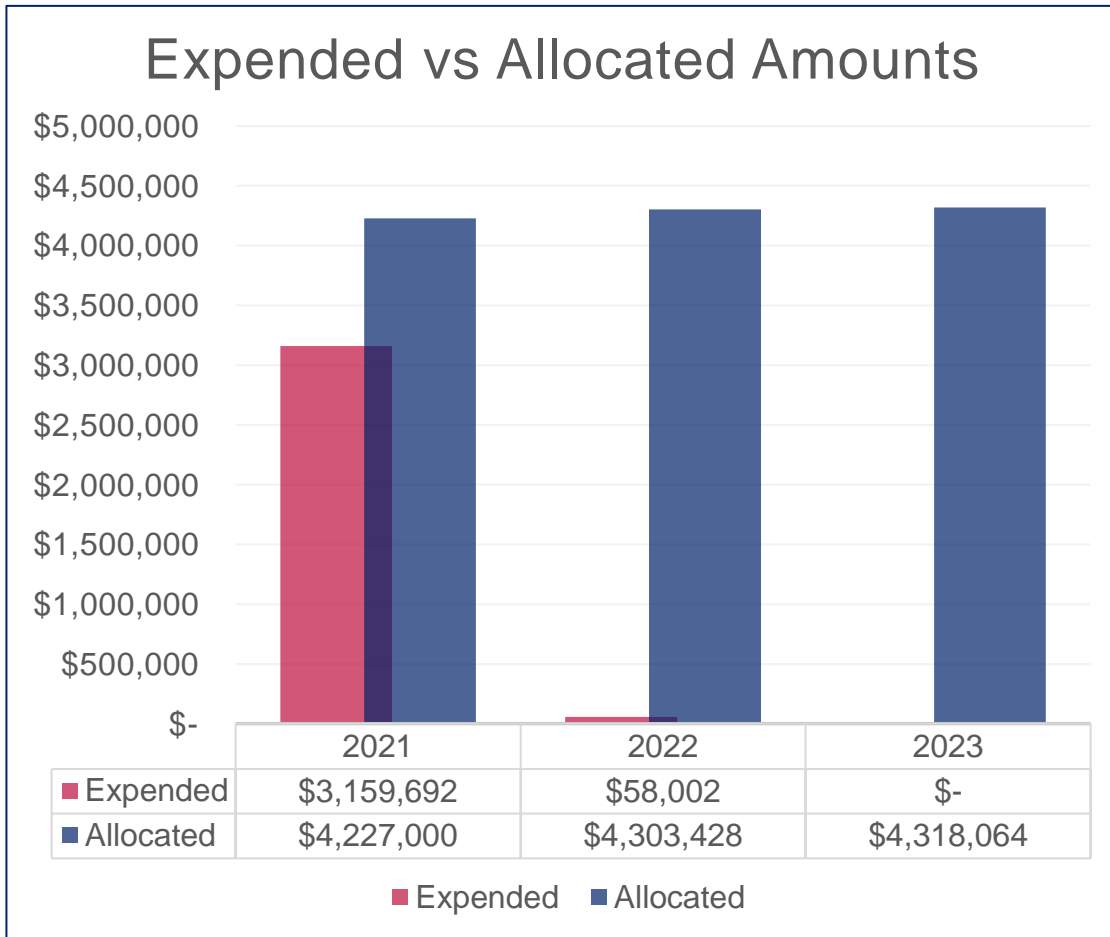
Data Report Out – Maintenance of Effort Exceptions for Fiscal Year 2022



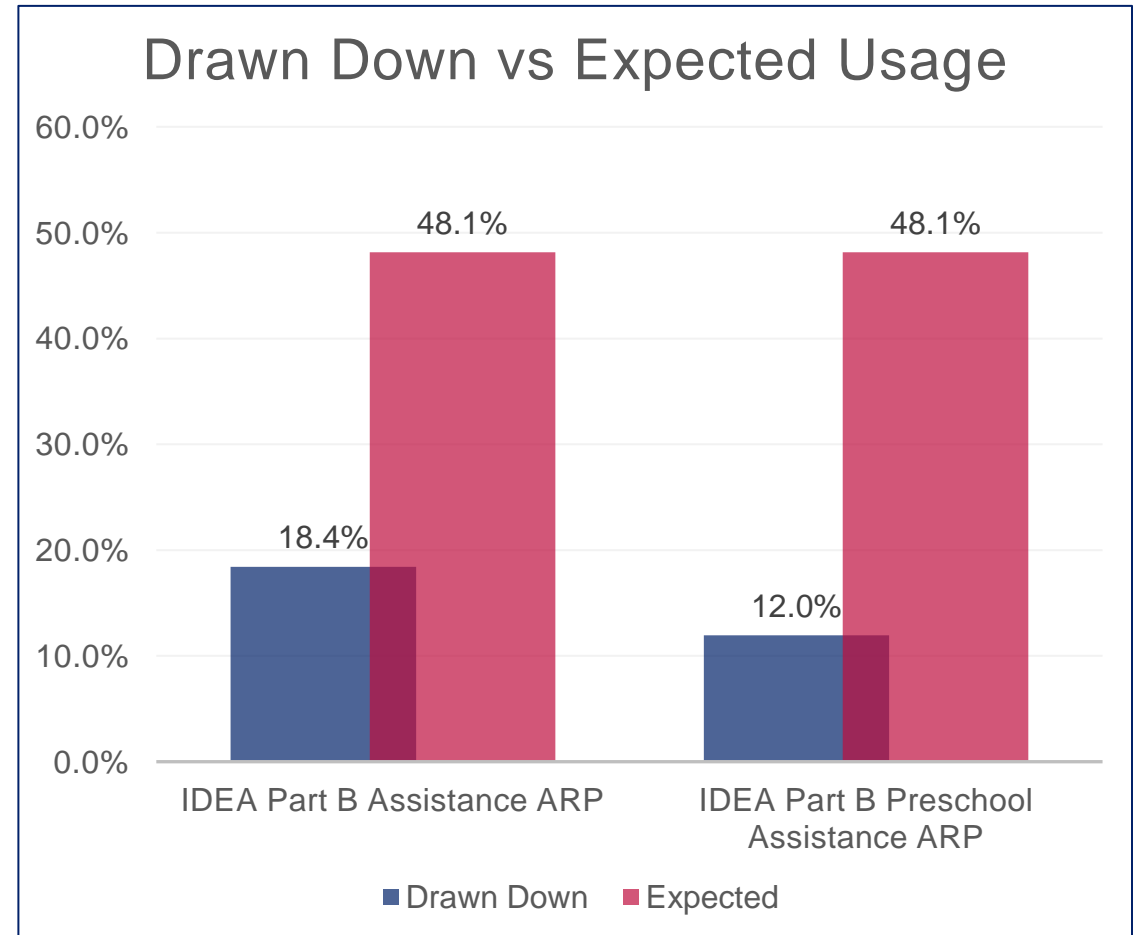
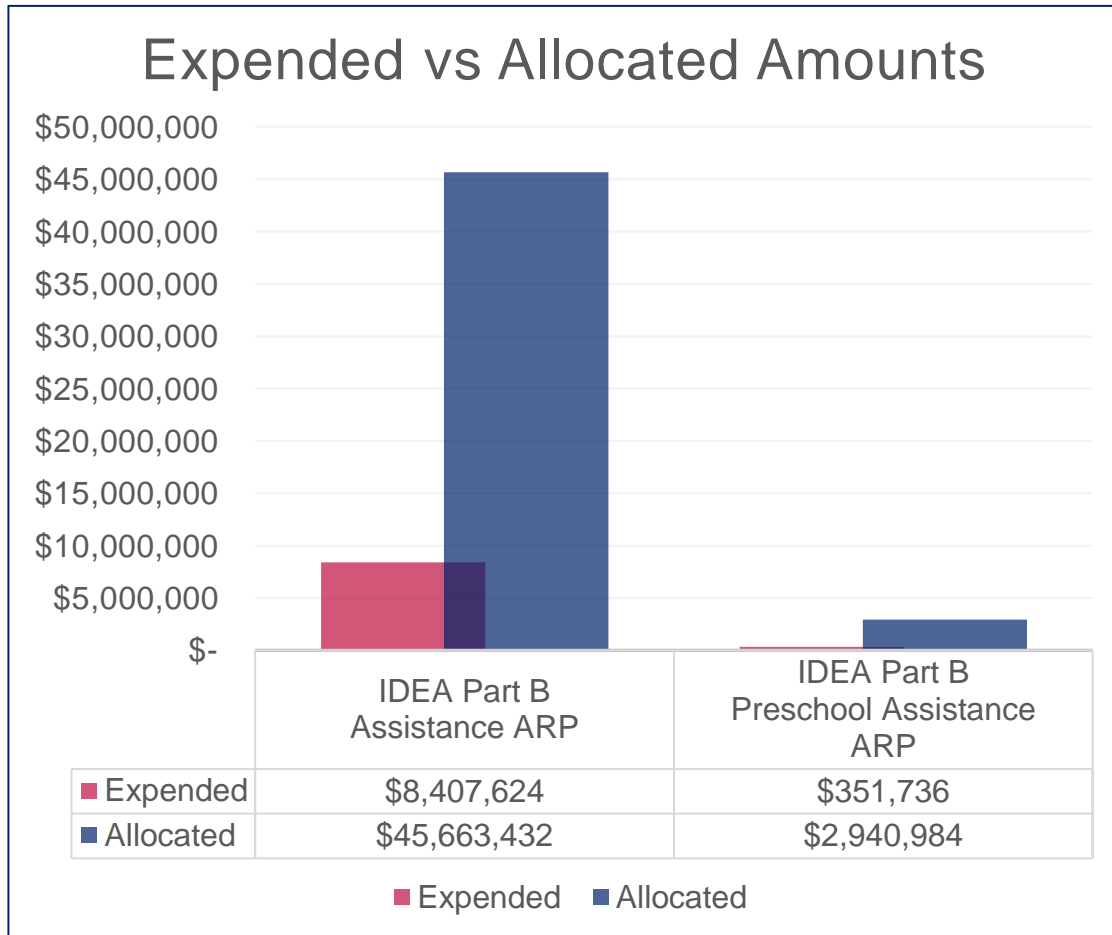
Data Report Out – IDEA Part B Allocation Usage



Data Report Out – IDEA Part B Preschool Allocation Usage



Data Report Out – IDEA Part B ARP Allocation Usage



Upcoming Changes & Tips

- ESS will start guiding PEAs to use their IDEA Part B Entitlement funds before utilizing the High-Cost Fund or Extraordinary Special Education Needs Fund
 - Staff will be reviewing utilization rates of PEAs and their IDEA Entitlement funds
- PEAs should aim to carry-over less than 40% of their IDEA Entitlement funds allocated for that fiscal year (0% preferred)
 - Ex. If awarded \$1,000,000 in the current fiscal year the PEA should aim to carry-over less than \$400,000
- This will minimize the chance that IDEA funds would be reverted to the federal government



Upcoming Changes & Tips (continued)

- PEAs should continuously work with their business offices in tracking special education expenditures (state and federal) and when planning the budget for an upcoming year
- PEA Determinations will reincorporate timely MOE submissions into the overall score determination on special education implementation
- Plan and prepare early for the IDEA Grant submission, the sooner you can work on the grant, the easier it is to work through issues





Exceptional Student Services Program Management

Team web page: <https://www.azed.gov/specialeducation/operations/>

Team email: ESSProgMgmt@azed.gov

Full trainings for Maintenance of Effort are facilitated by the ESS Program Management Team.

Please reach out to them on the website for more detailed instructions and guidance.



Exceptional
Student Services