

Maintenance of Effort Expenditure Tip Sheet

The annual Maintenance of Effort Expenditures can be challenging for LEAs. The Office of Exceptional Children has compiled the following information to support the process. OEC will offer office hours for EC Administrators and Finance Officers to drop in with questions.

Preparing for MOE

- Hold regular meetings between EC and Finance to review expenditures prior to year-end close out.
- Gather year-end expenditure reports that include object code, (after year- end closeout); they will need to be turned in each year with the IDEA grant to match MOE amounts claimed.
- MOE can be completed any time after the closeout date (June 30). It just cannot be reported into CCIP until the window has opened.

How to meet MOE Expenditures

- The LEA is only required to meet MOE expenditures in **one** of the four methods. To determine the amount required for each method, use the information on the Multi-Year Summary tab (Tab 4) of the MOE spreadsheet.
- The last green box for each method is the minimum required to meet in each method.
- The LEA does not have to meet in the same method as the most recent year. The method can change annually.
- Include any state and/or local PRCs with EC purpose code. For example, PRC 001, 003, 009, 027, 036 and/or 038.
- EC exclusive PRCs such as PRC 032, 029, 063 and 089, should be included.
- LEAs are not required to report every expenditure and can select the expenditures that ensure meeting in at least one method. Caution should be utilized to avoid unnecessarily increasing the MOE level to an unsustainable level.
- Report actual expenditures without rounding the amounts. All expenditures ending in even amounts raises a red flag. Meeting with zero increase or only \$1.00 increase is also a red flag.

What not to include in MOE Expenditures

- Medicaid funds (PRC 305 & 306) remain federal funds regardless of being in a local budget code.
- Non-EC purpose codes cannot be included in MOE expenditures.
- Expenditures for MTSS and 504 are not EC expenditures and cannot be included in MOE.

Utilizing Exceptions to Meet and Reduce MOE

- A reduction in Child Count will automatically calculate an exception in the MOE spreadsheet. You must use the official Child Count number in the IDEA grant.
- Staff members paid from state and/or local funds for the previous fiscal year (2024-2025) and no longer employed in current fiscal year (2025-2026) if they retired or left for reasons other than a reduction in force, can be utilized as an exception to reduce MOE.

- The LEA should develop a method to track departing EC staff members annually and maintain fiscal records of exceptions utilized.
 - If the position was replaced, the salary and benefits of the departing staff member and the replacement will need to be entered in the spreadsheet. The difference in salary and benefits will be calculated as the exception.
 - If a position remained vacant, the full salary and benefits can be used as an exception.
- If the LEA paid for a high-cost student (Out of District, high needs with many supports) in the previous fiscal year (2024-2025) and the level of service was not needed in the current fiscal year (2025-2026), the previous expenditure not funded from federal funds can be included as an exception.
- If the LEA paid for high-cost student support personnel in the previous fiscal year (2024-2025) from state and/or local funds and received Risk Pool funds in the current fiscal year (2025-2026), the previous amount expended can be an exception.

What is not an exception

- Reduction in Force (RIF) cuts in expenditure cannot be used as an exception.
- A decrease or loss of state funds cannot be used as an exception.
- A decrease or loss of local funds cannot be used as an exception.

MOE Adjustment

- If the LEA received an increase in the IDEA allotment in the current year (2025-2026), the MOE may be reduced by fifty percent of the increase under specific conditions:
 - The LEA is providing FAPE
 - The LEA Determination status is **Meets Requirements**
 - The LEA has not been identified with a significant disproportionality
- Your IDEA fiscal consultant will assist in determining if this adjustment is applicable.

Tips for Entering data in the MOE spreadsheet

- Currently, the spreadsheet has hidden years 6 through 10.
 - Right click between tab 19 and the next tab.
 - Click Unhide on the menu and a list will pop up. You can unhide just the three tabs for the next year or all years.
- Make sure to use the child count number that automatically populates in CCIP since this is the official child count that was submitted to OSEP.
- EC specific PRCs (032, 029, 063, 089) do not need to be broken down by Purpose Code.
- Non-EC specific PRCs (036, 001, etc.) must be listed by Purpose Codes. All expenditures for each Purpose Code can be listed together as long as all PRC codes are listed.
- Ensure year-end amounts used match final expenditure reports.