Maintenance of Effort (MOE) for Special Education:

Part 3
Voluntary Reduction Eligibility for FY18

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LEARNING OBJECTIVE

• Determine eligibility to use Voluntary Reduction to justify a decline in fiscal effort for 2017-2018 MOE
Adjustment: Voluntary Reduction

An LEA can justify decreased spending if it qualifies for Voluntary Reduction

• **Eligibility Criteria** for exercising Voluntary Reduction option:

1) **Increase** in **IDEA-B Formula Final Entitlement** from the previous grant year

2) Determination Level of **“Meets Requirements”**

3) **Not identified as having significant disproportionality based on race or ethnicity and subject to sanctions** (Sanction: LEA required to use 15% of IDEA-B funds on CEIS [Coordinated Early Intervening Services] for struggling, nondisabled students)

Adjustment: Voluntary Reduction

If all three criteria are met, you may take up to half of the amount of the increase in IDEA-B Formula Final Entitlement to reduce general fund spending for special education

| 2016-2017 IDEA-B Final Formula Entitlement | $500,000 |
| 2017-2018 IDEA-B Final Formula Entitlement | $550,000 |
| Increase in IDEA-B Entitlement            | $50,000  |
| 50% of Increase (“Freed Up” Funds)        | $25,000  |
| 2016-2017 Expenditures for special education from the general fund | $100,000 |
| 2017-2018 Expenditures for special education from the general fund may lawfully be reduced to this lower amount | $75,000 |

**Must meet all three criteria to qualify for Voluntary Reduction**

**34 CFR §300.205**
Am I Eligible for 2017-2018 Voluntary Reduction?

Eligibility for 17-18 Voluntary Reduction

**Step 1:**

Determine if you meet Eligibility Criterion #2 “Determination Level of Meets Requirements”

1) Access TEA’s TAPR webpage
2) Select the link to “2015-16 TAPR”
Eligibility for 17-18 Voluntary Reduction

Step 1, continued:
Determine if you meet Eligibility Criterion #2 “Determination Level of Meets Requirements”

3) Search by district to locate your LEA
4) Enter parameters to search for your ISD or Charter School
5) Review the result of “2016 Special Education Determination Status”

If the “2016 Special Education Determination Status” from the 2015-16 TAPR report indicates “Meets Requirements”, you met one of the three criteria required to exercise the Voluntary Reduction option.

Eligibility for 17-18 Voluntary Reduction

Step 1, continued:
Determine if you meet Eligibility Criterion #2 “Determination Level of Meets Requirements”

❖ If the “2016 Special Education Determination Status” from the “2015-16 TAPR” is “Meets Requirements”, you have met one of the three criteria required to exercise the Voluntary Reduction option
  ✓ Proceed to Step 2

❖ If the “2016 Special Education Determination Status” is NOT “Meets Requirements”, you are NOT eligible to exercise Voluntary Reduction
  ☠ Do NOT continue to the other steps
2015-16 Texas Academic Performance Report

Did this LEA meet one of the three eligibility criteria for Voluntary Reduction?

2016 Accountability Rating: Met Standard

2016 Special Education Determination Status:
Needs Intervention

District Name:
District Number:

2015-16 Texas Academic Performance Report

Did this LEA meet one of the three eligibility criteria for Voluntary Reduction?

2016 Accountability Rating: Improvement Required

2016 Special Education Determination Status:
Meets Requirements

District Name:
District Number:
Eligibility for 17-18 Voluntary Reduction

Step 2:

Determine if you meet Eligibility Criterion #3 “Not Identified by TEA with Significant Disproportionality Based on Race or Ethnicity”

If your LEA was identified, you would have received a letter from TEA in the summer of 2017 notifying you that you must reserve 15% of your 2017-2018 IDEA-B Formula & Preschool entitlements for purposes of CEIS

- If you did not receive such notification, you met another Voluntary Reduction criterion
  ✓ Proceed to Step 3
- If you received the notification from TEA and were sanctioned to reserve 15% for CEIS, you are NOT eligible to exercise Voluntary Reduction [Only a few LEAs in the state received the notification]

Do NOT continue

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Eligibility for 17-18 Voluntary Reduction

Step 3:

Determine if you received an increase in your IDEA-B Formula final entitlement from 2016-2017 to 2017-2018

1) Access TEA’s Entitlements webpage
2) Under heading “Special Education Consolidated Application, access three reports:
   - 2017-2018 Special Education Consolidated Revised Final Amounts by LEA
   - 2017-2018 Special Education Consolidated Supplemental Funding by LEA
   - 2016-2017 Special Education Consolidated Revised Final Amounts by LEA
Eligibility for 17-18 Voluntary Reduction

Step 3, continued:

*Determine if you received an increase in your IDEA-B Formula final entitlement from 2016-2017 to 2017-2018*

3) Sum the IDEA-B Formula amounts listed in the two 2017-2018 reports

4) Subtract that result from the IDEA-B Formula amount from the 2016-2017 report

Two 2017-2018 Entitlements (Revised Final Amounts and Revised Supplemental Funding Amounts) summed:

\[
\begin{align*}
\text{Texas Education Agency} & \\
\text{Federal Fiscal Compliance and Reporting Division} & \\
\text{Special Education Consolidated Grant Application} & \\
\text{Revised Final Amounts (Alphabetical by District)} & \\
\text{Fiscal Year 2018} & \\
\text{County} & \text{District} & \text{District Name} & \text{IDEA-B Formula} & \text{IDEA-B Preschool} & \text{State Deaf} & \text{IDEA-B ECI} \\
\text{SAMPLE LEA} & & & & \\
\end{align*}
\]

\[
\begin{align*}
\text{Texas Education Agency} & \\
\text{Federal Fiscal Compliance and Reporting Division} & \\
\text{Special Education Consolidated Grant Application} & \\
\text{Revised Supplemental Funding Amounts (Alphabetical by District)} & \\
\text{Fiscal Year 2018} & \\
\text{County} & \text{District} & \text{District Name} & \text{IDEA-B Formula} & \text{IDEA-B Preschool} \\
\text{SAMPLE LEA} & & & 30,032 & 7,274 \\
\end{align*}
\]

\[
\begin{align*}
\$336,321 & + \ 30,032 \\
& = \ 366,353
\end{align*}
\]
2016-2017 Revised Final Amount:

<table>
<thead>
<tr>
<th>County</th>
<th>Region</th>
<th>District</th>
<th>District Name</th>
<th>IDEA-B Formula</th>
<th>IDEA-B Preschool</th>
<th>State Dead</th>
<th>IDEA-C ECI</th>
<th>IDE Dead</th>
</tr>
</thead>
<tbody>
<tr>
<td>SAMPLE LEA</td>
<td></td>
<td></td>
<td></td>
<td>$320,578</td>
<td>755</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

$366,353 Sum of the two 2017-2018 Amounts
- 320,578 Minus 2016-2017 Amount
$ 45,775 Indicates increase in entitlement

Eligibility for 17-18 Voluntary Reduction

**Step 3, continued:**

*Determine if you received an increase in your IDEA-B Formula final entitlement from 2016-2017 to 2017-2018*

- If the result indicates an increase, you met the “Increase in Entitlement” criterion for Voluntary Reduction option
  - Continue to Step 4

- If no increase in entitlement, you are NOT eligible to exercise Voluntary Reduction
  - Do NOT continue to the next step
Eligibility for 17-18 Voluntary Reduction

**Step 4:**
*If eligible for Voluntary Reduction (met all three eligibility criteria), determine the amount you may lawfully reduce 2017-2018 special education expenditures from the general fund*

- Divide the amount of the increase in IDEA-B Formula Final entitlement in half
- The result is the amount you may reduce special education expenditures from the general fund

Increase in entitlement: $45,775

Half the increase is the amount you may reduce general fund spending for special education:

$45,775/2 = $22,887.50

**Caution:** If you voluntarily reserved a percentage of your IDEA-B funds for CEIS in 2017-2018, you may not reduce general fund expenditures by the full amount indicated in the Voluntary Reduction formula

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Eligibility for 17-18 Voluntary Reduction

A simple spreadsheet to determine eligibility for FY18 Voluntary Reduction is available on the ESC-20 webpage:

https://www.esc20.net/page/ci_se.FundingResources

www.esc20.net > Administrative & Instructional Services > Curriculum and Instruction > Special Education > Funding & Compliance

Select the red toggle titled “Maintenance of Effort (MOE)”

*You must disable the pop-up blocker on your internet browser to view resources on the ESC-20 webpage*
Claiming 2017-2018 Voluntary Reduction
For justification for decline in effort

Exceptions Workbook

- Complete the 2017-2018 Exceptions Workbook to claim the Voluntary Reduction to justify a decline in fiscal effort

- Refer to the ESC-20 presentation “Part 2 FY18 MOE Analysis” for instructions on completing and submitting the Exceptions Workbook
  - [https://www.esc20.net/page/ci_se.FundingResources](https://www.esc20.net/page/ci_se.FundingResources)

- Submit the Exceptions Workbook within five business days from the date TEA posts the FY18 Preliminary analysis of MOE compliance in GFFC
  - [https://tealprod.tea.state.tx.us/](https://tealprod.tea.state.tx.us/)
Exceptions Workbook: Voluntary Reduction tab

34 CFR 300.205 - Adjustment to Fiscal Effort (MOE Voluntary Reduction)

The IDEA allows an LEA to reduce the MOE threshold when the IDEA Part B (611) formula allocation (does not include 611, preschool allocation) increases from the prior year to the current year. The LEA must reduce any state and/or local funds that are no longer dedicated to special education. The LEA must submit activities authorized under the Elementary and Secondary Education Act (ESEA) as required by 34 CFR 300.205(b).

Eligibility Criteria: To be eligible to voluntarily reduce fiscal effort, an LEA must meet at least one of the following criteria:
1. The LEA received a Special Education Determination Status of “Meets Requirements” for the 2015-2016 Texas Academic Performance Report (TAPR).
2. The LEA was NOT identified as having significant disproportionality in 2015-2016.
3. The LEA had an increase in its IDEA B-611 maximum entitlement from the prior year.

Instructions for Lines 4-5 below:
1. Enter the actual amount of the MOE voluntary reduction. The actual amount is calculated by subtracting the 2017-2018 611 allocation from the 2017-2018 611 allocation and dividing the difference by 3.
2. Enter the maximum MOE voluntary reduction. The maximum MOE voluntary reduction is calculated by adding the 2017-2018 611 and 619 allocations together and multiplying by 35 (15%).

Instructions for Lines 1-3 below:
1. MOE voluntary reduction max allowed (50% of increase in 611 IDEA-B formula allocation)
2. Coordinated Early Intervening Services (CEIS) set-aside max allowed (up to 15% of combined 611 IDEA-B formula and 619 IDEA-B preschool allocations)
3. Lessee of two max amounts indicated on lines 1 and 2 (auto-populated)

Resources
Resources

• ESC-20 MOE Resources
  https://www.esc20.net/page/ci_se.FundingResources

• TEA’s IDEA-B MOE webpage

• TEA’s Entitlements webpage
  https://tea.texas.gov/Finance_and_Grants/Grants/Applying_for_a_Grant/Entitlements_Grants_Administration_Division/

• TEA’s TAPR (Texas Academic Performance Reports) webpage
  https://tea.texas.gov/perfreport/tapr/index.html

TEA’s Webpage for Calculation Tool and Exceptions Workbook
## Questions

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