Maintenance of Effort (MOE) for Special Education:

Part 2
Analysis of Fiscal Year 2018 Compliance

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Federal Funding Consultant
Education Service Center, Region 20
March 25, 2019

Revised March 26, 2019 Slide 44: Added more information regarding documentation for exceptions

Learning Objectives

➢ How to determine your LEA’s FY18 MOE compliance
➢ How to complete the FY18 Exceptions Workbook
TEA’s Analysis of FY18 Compliance

• TEA performs Preliminary analysis of an LEA’s compliance March – April
  • Uses final expenditures uploaded into TSDS PEIMS Midyear Report
  • LEAs are given a short timeframe (five business days) to respond with documentation to claim exceptions and/or adjustment if the preliminary results indicate a decline in fiscal effort
    ✓ If Exceptions/Adjustment are approved, a new, lower base level of spending is set
    ✓ If you passed all four tests, or failed a test but have no exceptions/adjustment to claim, no response is required

• TEA releases Final results around April – June

• Preliminary and Final results are posted in GFFC (in TEAL)
TEA’s Analysis of Compliance

- TEA posts the Compliance results in GFFC:

<table>
<thead>
<tr>
<th>Report Title</th>
<th>School Year</th>
<th>Doc Type</th>
<th>Date Added</th>
</tr>
</thead>
<tbody>
<tr>
<td>IDEA-B LEA MOE Compliance Review</td>
<td>2016-2017</td>
<td>Compliance</td>
<td>4/23/2018 11:00 AM</td>
</tr>
</tbody>
</table>

The Preliminary analysis for 2017-2018 will be posted early April 2019

Determination of Compliance

- Be proactive and perform your own self-analysis with TEA’s Calculation Tool
  - Don’t submit your analysis to TEA; maintain locally

- Once TEA posts their 2017-2018 Preliminary Review (IDEA-B LEA MOE Compliance Review) in GFFC, compare your results to TEA’s results

- If TEA’s preliminary analysis indicates you are non-compliant, submit the 2017-2018 Exceptions Workbook by the deadline to claim exceptions and/or adjustment, if applicable, to justify the decreased spending
  - If you are compliant because you passed at least one test, but have exceptions/adjustment, you may submit the Exceptions Workbook to try to pass all four tests (this is optional, but beneficial and recommended)
  - Do not submit the Exceptions Workbook if you passed all four tests

- TEA will review the workbooks and then determine Final results of compliance
Performing FY18 Compliance Analysis

TEA Webpage for IDEA-B MOE Resources

Finance & Grants >
  Compliance and Reporting >
    IDEA Fiscal Compliance >
      IDEA-B LEA Maintenance of Effort

Using the IDEA-B LEA MOE Calculation Tool

• First tab: Instructions

• Second tab “IDEA-B LEA MOE”: Perform data entry in orange cells only
  • Must complete all data entry before the compliance analysis will be complete
    • During data entry, the tool automatically performs certain calculations based on data entered, but the results will not be accurate until you enter ALL data

• Third tab: “Local Only (No Data Entry)”: 
  • Only included in ISD tool; No data entry allowed; Used to impute expenditures from local only funds since Fund 199 is a total of state and local funds
  • N/A to Charter School tool since Charter Schools do not receive local tax revenue
On page 1 of the MOE Calculation tool (IDEA-B LEA MOE tab), enter identifying information:
Obtain 2017-2018 student count from TSDS PEIMS report:

- **2017-2018 Fall Collection** PDM1-121-003 TSDS PEIMS Special Education Students by Grade and Instructional Setting and Funding Type
  - LEA-level Data
  - Campuses: All

- Use **IDEA-B Total** (Do NOT use Grade Total)
Page 2 of MOE Calculation Tool
IDEA-B LEA MOE tab

Page 2 “Last Compliant Year Information”: Obtain data from page 2 of Final 2016-2017 IDEA-B LEA MOE Compliance Review posted in GFFC (TEAL)
In GFFC, download the “IDEA-B LEA MOE Compliance Review”

• School Year 2016-2017

• Choose the document with the most recent date
  • Most recent date = Final Review
  • Earlier date = Preliminary Review

Obtain data to enter on page 2 of the MOE Calculation Tool from:
2016-2017 Final MOE Compliance Review, Page 2
“IDEA-B LEA MOE Subsequent Year Expenditure and Per-Capita Expenditure Report”
Page 2 of the 2016-2017 MOE Compliance Review shows the amounts to be compared to the Subsequent Year 2017-2018.

Each test shows the last year compliant with that particular test.

Enter Last Compliant SY dollar amounts for each test from Page 2 Final 2016-2017 MOE Compliance Review onto MOE Calculation Tool in “Original Required Level of Effort” column.

Enter Last Compliant SY for each test method from Page 2 Final 2016-2017 MOE Compliance Review onto MOE Calculation Tool in “Last Compliant School Year” column.
Enter Last Compliant SY **special education student count** for tests 3 and 4 from Page 2 Final 2016-2017 MOE Compliance Review onto MOE Calculation Tool in “Special Education Student Count – Last Compliant School Year” column.

Student count is only applicable to Tests 3 and 4 since those tests are “per-capita tests” (expenditures per student with disabilities).

**Cumulative Exceptions/Adjustments, Intervening Years**

- These are Exceptions and/or Adjustment to Fiscal Effort (Voluntary Reduction) submitted to TEA in previous years for failed tests, but the amounts were not enough to bring the LEA into compliance that year.

- These amounts can be used toward subsequent years’ compliance until such time the LEA is brought into compliance with the particular test method that had a “Fail” compliance result.

- Cumulative amount is found on Page 2 of the MOE Compliance Review (Final version).

- Detailed instructions are located in the Instructions tab of the Calculation Tool.
If Page 2 Final 2016-2017 MOE Compliance Review indicates an amount in “Cumulative Exceptions/Adjustment”, enter that amount onto the MOE Calculation Tool in “Amount of Cumulative Exceptions/Adjustments, Intervening Years” column.

Note: Data entry can only be performed in an orange cell. If 2016-2017 was the last compliant year for a particular test, you cannot enter cumulative exceptions amount for that test method.

Page 3 of Calculation Tool
IDEA-B LEA MOE tab
Page 3 of the MOE Calculation tool is for entering expenditure data for the year being reviewed (2017-2018)

**Note:** These are the only Function Codes used toward MOE compliance analysis.

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**2017-2018 Expenditures**

Obtain **2017-2018** expenditures from TSDS PEIMS report:

- **2018-2019 Mid-Year Collection** PDM2-101-002 TSDS PEIMS Actual Compliance Report – General Fund
  - Campuses: All
  - LEA-level Data
  - **Unallocated Funds Only**
Obtain PIC 23 expenditures data from page 1 of the Mid-Year report for these functions only and enter onto Page 3 of the MOE Calculation tool.

Functions: 11, 12, 13, 21, 23, 31, 32, 33, 36, 51, 53

Ensure you are using Unallocated Data.

Obtain PIC 23 expenditures data from page 2 of the Mid-Year report for functions 34 and 41 only and enter onto Page 3 of the MOE Calculation tool.

Note: Function 93 is never used.

Function 93: Payments to the Fiscal Agent of a Shared Services Arrangement (SSA) do NOT count toward MOE.
Obtain PIC 33 expenditures data from page 3 of the Mid-Year report for these functions only and enter onto Page 3 of the MOE Calculation tool.

Functions: 11, 12, 13, 21, 23, 31, 32, 33, 36, 51, 53

 SAMPLE DOCUMENT 3 PAGE 3

<table>
<thead>
<tr>
<th>Direct Costs</th>
<th>PIC 11</th>
<th>PIC 31</th>
<th>PIC 32</th>
<th>PIC 33</th>
<th>PIC 34</th>
<th>PIC 35</th>
<th>PIC 36</th>
<th>PIC 37</th>
<th>PIC 38</th>
<th>PIC 39</th>
<th>PIC 90</th>
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<tbody>
<tr>
<td>Indirect Costs</td>
<td>$2,119,465</td>
<td>$20,478</td>
<td>$0</td>
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<td>$20,478</td>
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Total Direct: $2,137,940

Ensure you are using Unallocated Data.

Obtain PIC 33 expenditures data from page 4 of the Mid-Year report for functions 34 and 41 only and enter onto Page 3 of the MOE Calculation tool.

 SAMPLE DOCUMENT 3 PAGE 4

<table>
<thead>
<tr>
<th>Direct Costs</th>
<th>PIC 11</th>
<th>PIC 31</th>
<th>PIC 32</th>
<th>PIC 33</th>
<th>PIC 34</th>
<th>PIC 35</th>
<th>PIC 36</th>
<th>PIC 37</th>
<th>PIC 38</th>
<th>PIC 39</th>
<th>PIC 90</th>
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<tbody>
<tr>
<td>Indirect Costs</td>
<td>$2,372,940</td>
<td>$49,115</td>
<td>$0</td>
<td>$49,115</td>
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<td>$49,115</td>
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</table>

Total Direct: $2,334,950

Ensure you are using Unallocated Data.
PIC 23 and PIC 33 data for these function codes are entered onto the calculation tool.

### ISD Members of a Special Education SSA

- **ISD members** of a Special Education Shared Services Arrangement (SSA) must also enter general fund special education expenditures their Fiscal Agent spent on their behalf.

- Must request the expenditure data from your Fiscal Agent:
  - Ask your FA for Fund 437 Type 11 expenditures spent on your behalf in 17-18

- **Note:**
  - Not applicable to members of RDSPD (Regional Day School Program for the Deaf)
  - Not applicable to members of a VI (Visual Impairment) Cooperative
  - Not applicable to charter schools that are members of a special education SSA
ISD Members of a Special Education SSA

Fiscal Agent obtains 2017-2018 general fund special education expenditures spent on behalf of their members from TSDS PEIMS report:

- **2018-2019 Mid-Year** Collection **PDM2-100-015** TSDS PEIMS Actual SSA Financial Summary by Fund & SSA Type
  - LEA-level Data
  - Unallocated

Report Year: The 2018-2019 Mid-Year report is for prior year expenditures (2017-2018 expenditures)

Fund 437 amount spent on behalf of member by Fiscal Agent is entered on page 3 of MOE Calculation Tool

Leave the SSA expenditures cell on the MOE Calculation Tool blank if:
- You are a charter school, or
- You are an ISD but not a member of special education SSA

N/A to Charter Schools
**SHARS Reimbursement**

Data was submitted to TEA via the SHARS Reimbursement Report Survey (10/31/18)

**IF** you participated in SHARS Reimbursement **AND** spent the reimbursement on additional (subsequent) special education expenditures in 2017-2018, enter that amount in the SHARS reimbursement row on page 3 of the MOE Calculation tool.

**Otherwise, leave blank.**

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**SHARS Survey that was due 10/31/18**

**SAMPLE DOCUMENT 5**

Select the one option below that applies to your LEA:

- **Option 1:** The LEA did not participate in the SHARS Macedoled program and has not receive any SHARS Macedoled reimbursements.
  - If this applies to you, you must enter the total amount expended as a positive number in the box below:
  - Total amount of SHARS Macedoled expenditures (enter numbers only, e.g., enter $100 for $100.00)

- **Option 2:** The LEA received SHARS Macedoled reimbursements but did not expend any of the reimbursements in state and local expenditures for special education services in 2017-2018.
  - If this applies to you, you must enter the total amount expended as a positive number in the box below:
  - Total amount of SHARS Macedoled expenditures (enter numbers only, e.g., enter $100 for $100.00)

- **Option 3:** The LEA received SHARS Macedoled reimbursements and made subsequent expenditures with the reimbursements in state and local expenditures for special education services in 2017-2018.
  - If this applies to you, you must enter the total amount expended as a positive number in the box below:
  - Total amount of SHARS Macedoled expenditures (enter numbers only, e.g., enter $100 for $100.00)

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If you selected Option 3 when the SHARS survey was submitted, the dollar amount for Subsequent Expenditures must be entered on Page 3 of the MOE Calculation Tool.

If you selected Options 1 or 2, leave the SHARS cell blank on the MOE Calculation Tool.

Your LEA received a confirmation email when the survey was submitted that contains the data submitted. Your ESC does not have this data.
Summary of Finances (SOF) data is obtained from the 2017-2018 Summary of Finances report on TEA’s website: [https://tea4avfawcett.tea.state.tx.us/Fsp/Reports/ReportSelection.aspx](https://tea4avfawcett.tea.state.tx.us/Fsp/Reports/ReportSelection.aspx)

- First “Near-Final” version of the SOF (In this example, September 5, 2018 of the 2017-2018 SOF is the first Near Final)

<table>
<thead>
<tr>
<th>Report: Summary of Finances</th>
<th>Preliminary</th>
<th>Near Final</th>
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</thead>
<tbody>
<tr>
<td>School Name: Sample ISD</td>
<td>2/9/2018 1:49 PM</td>
<td>9/6/2018 12:30 PM</td>
</tr>
<tr>
<td>9/5/2018 2:29 PM</td>
<td>Near Final</td>
<td></td>
</tr>
</tbody>
</table>

### Tier I Allotments

<table>
<thead>
<tr>
<th>Program Intent Codes - Allotments</th>
<th>LPE</th>
<th>NF</th>
</tr>
</thead>
<tbody>
<tr>
<td>20.</td>
<td>Regular Program Allotment</td>
<td>$3,361,216</td>
</tr>
<tr>
<td>21.</td>
<td>Special Education Allotment</td>
<td>$450,251</td>
</tr>
<tr>
<td>22.</td>
<td>Career and Technical Education</td>
<td>$359,241</td>
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<tr>
<td>23.</td>
<td>Gifted &amp; Talented Education</td>
<td>$1,940,386</td>
</tr>
</tbody>
</table>

**2017-2018 First Near Final Version of SOF**

- Applicable to ISDs Only

**Lower portion, Page 3 of MOE Calculation Tool**

- N/A to Charter Schools
Charter Schools do not use Summary of Finances (SOF) data for MOE purposes.

SOF data are only applicable to ISDs as a methodology to determine special education expenditures from local funds.

Most charter schools do not have special education expenditures from local funds.

However, if a charter school receives local funds from donations or fund raising activities, etc., and codes to Fund 199, and uses the revenue for special education expenditures, the charter school must enter the dollar amount of the Fund 199 special education expenditures in the applicable section in the lower portion of Page 3 of the MOE Calculation tool.

Otherwise, this section is left blank.

NOTE: If you code local revenue to Fund 199 and use for special education, you will then need to spend that same amount in Fund 199 every year to be in compliance with Tests 1 and 3, unless you qualify for exceptions/adjustment.

Determination of Compliance

After all data entry has been performed in the MOE calculation tool, return to Page 1 to see the compliance results

- The LEA only needs to pass one test to be compliant
If Decline in Effort:

If your LEA fails a test and your LEA qualifies for exceptions and/or adjustment to local fiscal effort (MOE Voluntary Reduction), complete the 2017-2018 IDEA-B LEA MOE Exceptions Workbook available on TEA's webpage.

IDEA-B LEA MOE Exceptions Workbook

The IDEA-B LEA MOE Exceptions Workbook is used by local educational agencies (LEAs) to report allowable federal statutory exceptions and/or adjustment to fiscal effort for consideration in the final IDEA-B LEA MOE Compliance Review.

LEAs that choose to report allowable federal statutory exceptions and/or adjustment to fiscal effort will have five business days from the date preliminary IDEA-B LEA MOE Compliance Reviews are published in OFFC Reports and Data Collections to submit all of the following:

1. IDEA-B LEA MOE Exceptions Workbook,
2. IDEA-B LEA MOE Certification, signed by the superintendent, and
3. Supporting documentation to justify the amounts reported in the IDEA-B LEA MOE Exceptions Workbook for each of the allowable exceptions.

Refer to the "Instructions" tab of the IDEA-B LEA MOE Exceptions Workbook for more information.

An Updated Exceptions Workbook will be posted in March.

- 2017-2018 IDEA-B LEA MOE Exceptions Workbook (Excel)
- 2017-2018 IDEA-B LEA MOE Exceptions Workbook (PDF)

Exceptions Workbook

• Complete the 2017-2018 Exceptions Workbook (if you failed a test and have qualifying exceptions/adjustment)

• Gather required supporting documentation described in the workbook

• Once TEA releases their Preliminary Review in GFFC, compare your results to TEA’s results

• Upload the completed 2017-2018 Exceptions Workbook, Certification Form signed by the superintendent, and supporting documentation into GFFC within five business days from TEA’s posting of the Preliminary analysis

Exceptions Workbook

• Streamline the supporting documentation into one packet (one submission)

• Send only required documentation; Don’t send more than instructed

• Send totals rather than pages and pages of line items from journals or ledgers
  • For example: Payroll journals:
    • Don’t send pages and pages of line items showing each month’s compensation
    • Instead, send annual compensation total for the applicable employee listed in the financial documentation that corresponds to the total amount you list in the Exceptions Workbook
    • Documentation should clearly depict the (a) total amount, (b) year, (c) fund code, and (d) PIC

• Highlight, underline, annotate, etc. on the supporting documentation to assist TEA staff in easily locating the data that supports the exception you are claiming
Exceptions Workbook Completion

Step 1: Complete the Certification tab first

- When you enter the LEA Name and CDN, that data will auto-populate the headings of all the other tabs in the workbook

Step 2: Complete the remaining tabs for applicable exceptions and/or Voluntary Reduction you are claiming

- Each tab provides:
  - A description of the exception type
  - Supporting documentation requirement
    - Example: Voluntary Departure of Special Education Personnel requires (1) Year-to-Date Payroll Journal of Listed Employees, AND (2) Human Resources Personnel Record that supports the basis of departure (such as resignation letter, retirement letter, personnel action form, etc.)
  - Data entry in orange cells
### Exceptions Workbook: Voluntary Departure tab

**34 CFR 300.204(e) - Voluntary Departure or Departure for Just Cause of Special Education or Related Services Personnel**

Voluntary departure, by retirement or otherwise, or departure for just cause of special education or related services personnel does not result in contract non-renewal, reassignment, or staff lay-off due to reduction in force (RIF). “Departure for just cause” refers to the literal language reporting misconduct of an employee, or some other event relevant to the employee, which justifies the immediate termination of the employment contract.

**Supporting Documentation Requirement:** LEA must submit supporting documentation for validation purposes which includes both of the following: 1) Year-to-date payroll journal of listed employees, and 2) Human Resources personnel record supporting book of departure (resignation letter, personnel action form, etc.).

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Departure SubTotal $ 
Replacement SubTotal $ 
Total $ 

### Exceptions Workbook: Decrease in Enrollment tab

**34 CFR 300.204(b) - Decrease in the Enrollment of Children with Disabilities**

The decrease in enrollment of children with disabilities must have occurred from the 2016-2017 to 2017-2018 school year. The LEA must provide a description of the expenditures reduced and, at the LEA’s discretion, provide supporting documentation. Examples of expenditures reduced due to a decrease in enrollment of children with disabilities may include, but are not limited to, special education staff reassigned to general education; special education teacher or administrator layoff; and/or closure of a self-contained classroom/unit (combining/merger with another).

**Supporting Documentation Requirement:** LEA must submit supporting documentation for validation purposes which includes 1) General ledger, year-to-date payroll journal/report, etc., or any other support documents that justify the amount attributed to decrease in enrollment.

<table>
<thead>
<tr>
<th>Description of Reduction in Special Education Expenditures Attributable to a Decrease in the Enrollment of Children with Disabilities</th>
<th>2016-2017 Expenditures (Fund 109, 428, 437, OR 25, 115)</th>
</tr>
</thead>
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Total $ 

## Exceptions Workbook: Exceptionally Costly Program tab

### 34 CFR 100.300(c) - Termination of Obligation for Exceptionally Costly Program to a Particular

Termination of an exceptionally costly obligation to a particular student with a disability because the child has left the jurisdiction has reduced the extent to which the obligation is to provide free appropriate public education (FAPE) to the child is terminated, or another factor has given the parent or guardian of the child the ability to provide such education.

### Exceptions Workbook: Long-Term Purchase tab

### 34 CFR 300.204(d) - Termination of Costly Expenditures for Long-term Purchases

Only expenditures in object classes that are eligible for expenditure are eligible. The LPA must have a capital outlay expenditure, such as the acquisition of equipment or construction of school facilities. Equipment means any article of tangible personal property having a useful life of greater than one year and an acquisition cost in excess of $1,500 or the LPA's established capitalization level, whichever is less. Capital expenditures, or capital outlay, means expenditures for the acquisition of capital assets, such as equipment, or expenditures to make improvements to capital assets that materially increase their value or useful life.

### Supporting Documentation Requirement:
- LPA must submit supporting documentation for validation purposes which may include general ledger, invoices, etc., or any other support documents that justify the amount attributed to termination of costly long-term purchase.

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**Education Service Center, Region 20 | March 2019**
Exceptions Workbook: High Cost Grant tab

**34 CFR 300.204(e) - Assumption by High Cost Grant**

This exception applies to expenditures for a particular student which were previously paid out of state and/or local funds (Fund codes 395, 420, 437) and which were assumed in the following year by the High Cost Grant (Fund 226).

Supporting Documentation Requirement: LEA must submit supporting documentation for validation purposes which may include general ledgers, year-to-date payroll journal report, etc., or any other support documents that justify the amount attributed to assumption by High Cost Grant.

<table>
<thead>
<tr>
<th>Description of State and Local Expenditures Assumed by High Cost Grant in 2017-2018</th>
<th>2016-2017 Expenditures (Fund 199, 420, 437; PIC 21, 33)</th>
</tr>
</thead>
<tbody>
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</table>

Total: $ -

Exceptions Workbook: Voluntary Reduction tab

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

IDEA allows an LEA to reduce the MOE threshold when the IDEA Part B (F12) formula allocation (does not include F19, preschool allocation) increases from the prior year to the current year. If the LEA takes advantage of the adjustment, any state and/or local funds that are no longer dedicated to special education must be spent on activities authorized under the Elementary and Secondary Education Act (ESEA) as required by 34 CFR 300.205(b).

Supporting Documentation Requirement: None.

**Eligibility Criteria:** To be eligible to voluntarily reduce fiscal effort, an LEA must meet all of the following criteria:
1. In the 2015-2016 Texas Academic Performance Report (TAPR), the LEA received a Special Education Determination Status of “Meets Requirements”;
2. At the end of school year 2016-2017, the LEA was NOT identified as having significant disproportionality; and
3. For school year 2017-2018, the LEA had an increase in its IDEA-B F121 entitlement from the prior year.

**Instructions for lines 1-3 below:**
1. Enter amount of the maximum MOE voluntary reduction allowed, calculated by subtracting the 2016-2017 F121 allocation from the 2017-2018 F121 allocation and dividing the difference by 2.
2. Enter amount of the maximum CFS set-aside allowed for 2017-2018, calculated by adding the 2017-2018 F121 and F122 allocations together and multiplying by 35 (15%).
3. No data entry required – lesser of the two max amounts is auto-populated.

<table>
<thead>
<tr>
<th>Determination of Maximum Amounts Allowed</th>
<th>2017-2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>MOE voluntary reduction max allowed (10% of increase in F121 IDEA-B formula allocation)</td>
<td>$ -</td>
</tr>
<tr>
<td>Coordinated Early Intervening Services (CFS) set-aside max allowed (up to 15% of combined F121 IDEA-B formula and F19 IDEA-B preschool allocations)</td>
<td>$ -</td>
</tr>
<tr>
<td>Lesser of two max amounts indicated on lines 1 and 2 (auto-populated)</td>
<td>$ -</td>
</tr>
</tbody>
</table>

**Instructons for Lines 4-5 below:**
1. Select Yes or No in the dropdown box as to whether or not the LEA set-aside 2017-2018 IDEA-B allocation for CFS. If Yes is selected, indicate amount.
2. Enter the actual amount of the LEA’s MOE voluntary reduction.

**Actual Amounts for MOE Voluntary Reduction and CFS Set-aside**

<table>
<thead>
<tr>
<th>2017-2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Did the LEA set aside 2017-2018 IDEA-B allocation for CFS? Select Yes or No</td>
</tr>
<tr>
<td>Actual amount of 2017-2018 MOE voluntary reduction:</td>
</tr>
</tbody>
</table>
Exceptions Workbook Completion

**Step 3:** Gather all applicable supporting documentation required for the type of exception(s) you are claiming

- Place the supporting documentation in the order of the exceptions claimed
- **Annotate, highlight, or underline the amounts on your supporting documentation that match the amounts claimed on the exceptions tabs**
- Scan all the supporting documentation at one time, into **one pdf document**

Exceptions Workbook Upload into GFFC

**Step 4:** Upload the Certification page to **GFFC**

- Print the completed Certification tab of the workbook
- Superintendent signs and dates the printed page
- Scan the signed and dated page
- Upload the **pdf** into GFFC to the **“IDEA-B LEA MOE Certification” option**

In GFFC, select “Upload Response Documents”
Select “IDEA-B LEA MOE Certification”
Select School Year “2017-2018”
Select “Response Document”
Select “Upload Document”
Exceptions Workbook Upload into GFFC

Step 5: Upload the Exceptions Workbook to GFFC

• Upload as an excel file (Do NOT upload as pdf)
• Upload into GFFC to the “IDEA-B LEA MOE Exceptions Workbook” option

In GFFC, select “Upload Response Documents”
Select “IDEA-B LEA MOE Exceptions Workbook”
Select School Year “2017-2018”
Select “Response Document”
Select “Upload Document”

Exceptions Workbook Upload into GFFC

Step 6: Upload the Supporting Documentation to GFFC

• Upload the pdf that contains all the supporting documentation scanned as one document
• Upload into GFFC to the “IDEA-B LEA MOE Support Documents” option

In GFFC, select “Upload Response Documents”
Select “IDEA-B LEA MOE Support Documents”
Select School Year “2017-2018”
Select “Response Document”
Select “Upload Document”
Calculation Tool vs Exceptions Workbook

- **Calculation Tool** is used to determine compliance
  - LEA completes and maintains locally
  - Not submitted to TEA

- **Exceptions Workbook** is used to submit documentation of exceptions and/or adjustment to TEA to justify decline in fiscal effort
  - LEA submits to TEA *within five business days* of TEA’s posting of Preliminary Review in GFFC
    - Do not submit prior to TEA’s posting of Preliminary Review results

---

Final Determination of Compliance

- If you submit the 2017-2018 Exceptions Workbook, TEA’s Final Review (around June 2019) will show the dollar amount of the exceptions/adjustment validated by TEA
  - Page 1 of the Final Review, row titled “Current Year - Total exceptions and/or adjustment to fiscal effort validated by TEA”

- Final compliance result will be posted at the bottom of page 1, row titled: “Final compliance result (Pass/Fail)”
  - If at least one test result shows “Pass”, you are compliant

- The lower level of spending justified with exceptions and/or adjustment (accepted by TEA) become the new base level to maintain from year to year
Final Determination of Compliance

This example illustrates an LEA that failed Tests 1 and 2 in the Preliminary Analysis

• Although the LEA passed Tests 3 and 4 and was compliant, the LEA submitted exceptions

• TEA validated the exceptions/adjustment, with a Final result of the LEA passing all four tests

<table>
<thead>
<tr>
<th>Preliminary compliance result (Pass/Fail)</th>
<th>Fail</th>
<th>Fail</th>
<th>Pass</th>
<th>Pass</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total exceptions and/or adjustment to fiscal effort validated by TEA</td>
<td>$63,476.17</td>
<td>$63,476.17</td>
<td>$63,476.17</td>
<td>$63,476.17</td>
</tr>
<tr>
<td>Final deficiency amounts (only for failing results)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Final compliance result</td>
<td>Pass</td>
<td>Pass</td>
<td>Pass</td>
<td>Pass</td>
</tr>
</tbody>
</table>

If all four test results for 2017-2018 indicate “Fail” during the Final review, you will be required to submit a refund to TEA

• The amount of the refund:
  o Will be the amount of the failed test with the lowest decline in effort (refunding the lowest amount).
  o Will be reduced by the amount of exceptions/adjustment submitted but insufficient to bring the LEA into compliance
  o Will not exceed the amount of your IDEA-B Final Formula entitlement for the year being analyzed

• TEA will send an enforcement letter with instructions for submitting the refund
  • Do not send your payment to TEA until you receive the enforcement letter
TSDS PEIMS Errors

If TSDS PEIMS errors cause a decline in effort:

• Submit the following documentation to TEA via email to compliance@tea.texas.gov
  • IDEA-B LEA MOE Calculation Tool using correct data, signed by the LEA’s external auditor
    • Results of calculation must reflect a change in the LEA’s compliance status when compared to TEA’s Preliminary MOE Review
  • Detailed schedule prepared and signed by the LEA’s external auditor
    • Depicts the erroneous data and the correct data in a side by side chart:
      | Actually Submitted to TSDS PEIMS | What should have been submitted |
      |----------------------------------|-------------------------------|
      |                                 |                                |
  • Supporting documentation, if applicable
  • A description of how the error occurred and the administrative procedures taken to ensure such PEIMS data errors do not reoccur
TSDS PEIMS Errors

• If the revised data result in a change in compliance status, TEA will recalculate their determination of compliance using the corrected data.

• However, any decision by TEA to use revised data in the calculation of the LEA’s MOE determination will not change the official PEIMS data, which is the agency’s official system of record.

• Official PEIMS data is final and will remain unchanged on all TEA products and reports that rely on that information.

Possible Consequences

When a LEA notifies TEA of significant PEIMS errors in the LEA’s reported expenditures in the process of requesting the state reconsideration, TEA’s FFCR division will make the following notifications of the erroneous data submission to the following TEA divisions and departments, with the following possible results:

- Division of Financial Compliance: Possible increased risk for audit, investigation and/or review
- Division of State Funding: Possible effect on state funding
- Division of Federal Fiscal Monitoring: LEA’s possible identification as a high-risk grantee. High-risk grantees may be subject to a review of all reimbursements across one or more grants or a random sampling of expenditures across one or more grants.
- Office for Statewide Education Data Systems: LEA’s possible identification as a high-risk grantee
- Department of Accreditation and School Improvement: Possible increased risk for investigation and/or review
- Division of Enforcement Coordination and Governance: LEA possibly recommended for district-level interventions or sanctions based on investigation findings
Bonus Section

Unallocated Expenditures vs Allocated Expenditures

Unallocated vs Allocated Data

Program Intent Codes (PICs) are used to account for the cost of instruction and other services that are directed toward a particular need of a specific set of students

Examples:

PIC 23 = Special Education
PIC 21 = Gifted and Talented
Unallocated vs Allocated Data

- Use specific Basic or Enhanced PIC for any transaction that is clearly and directly attributable to that particular program intent

- Use PIC 99 Undistributed for all charges that cannot be clearly attributable to a specific program intent

Unallocated vs Allocated Data

- **Unallocated** PEIMS/TSDS reports illustrate expenditures coded by the LEA to the various PICs
  - Amounts should match local records

- **Allocated** PEIMS/TSDS report uses a formula to allocate costs recorded in PIC 99 Undistributed to the Basic and Enhanced PICs according to instructional FTEs assigned to those PICs
  - Expenditures for specific PICs in the Allocated report will be higher than those in the Unallocated report and in local records
## Unallocated vs Allocated Data

### UNALLOCATED SAMPLE

<table>
<thead>
<tr>
<th>FUNC CODE</th>
<th>PIC 21 GT</th>
<th>PIC 22 CTE</th>
<th>PIC 23 SPED</th>
<th>PIC 99 UNDISTRIB</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>876,541</td>
<td>7,672,831</td>
<td>34,206,223</td>
<td>11,062,613</td>
</tr>
<tr>
<td>12</td>
<td>0</td>
<td>33,750</td>
<td>0</td>
<td>5,612,142</td>
</tr>
<tr>
<td>13</td>
<td>160,079</td>
<td>106,530</td>
<td>523,105</td>
<td>2,721,824</td>
</tr>
<tr>
<td>21</td>
<td>49,715</td>
<td>73,230</td>
<td>1,322,077</td>
<td>3,565,214</td>
</tr>
<tr>
<td>23</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>23,015,844</td>
</tr>
<tr>
<td>31</td>
<td>19,337</td>
<td>825,387</td>
<td>2,125,405</td>
<td>6,732,079</td>
</tr>
<tr>
<td>32</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>608,197</td>
</tr>
</tbody>
</table>

All amounts show exactly as the LEA coded – matches local records.

### ALLOCATED SAMPLE

<table>
<thead>
<tr>
<th>FUNC CODE</th>
<th>PIC 21 GT</th>
<th>PIC 22 CTE</th>
<th>PIC 23 SPED</th>
<th>PIC 99 UNDISTRIB</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>917,826</td>
<td>7,986,900</td>
<td>36,445,045</td>
<td>0</td>
</tr>
<tr>
<td>12</td>
<td>17,156</td>
<td>150,558</td>
<td>1,032,697</td>
<td>0</td>
</tr>
<tr>
<td>13</td>
<td>170,320</td>
<td>192,451</td>
<td>1,078,262</td>
<td>0</td>
</tr>
<tr>
<td>21</td>
<td>63,021</td>
<td>174,454</td>
<td>2,043,599</td>
<td>0</td>
</tr>
<tr>
<td>23</td>
<td>23,015,844</td>
<td>174,454</td>
<td>2,043,599</td>
<td>0</td>
</tr>
<tr>
<td>31</td>
<td>48,083</td>
<td>1,047,954</td>
<td>3,469,214</td>
<td>3,745</td>
</tr>
<tr>
<td>32</td>
<td>3,294</td>
<td>24,907</td>
<td>130,923</td>
<td>0</td>
</tr>
</tbody>
</table>

The system distributed (allocated) amounts in PIC 99 to specific PICs; reducing PIC 99 amount & increasing amounts in other PICs.

---

## Resources
Applicable Function Codes for IDEA-B MOE

11 Instruction
12 Instructional Resources and Media Services
13 Curriculum and Instructional Staff Development
21 Instructional Leadership
23 School Leadership
31 Guidance and Counseling Service
32 Social Work Services
33 Health Services
34 Student (Pupil) Transportation
36 Cocurricular/ Extracurricular Activities
41 General Administration
51 Plant Maintenance and Operations
53 Data Processing Services

Data Sources for FY18 MOE Compliance Analysis

A document listing the data sources needed to determine FY18 MOE compliance 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
Resources

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

• GFFC Reports and Data Collections
  https://tealprod.tea.state.tx.us/

• TEA’s IDEA-B MOE webpage
## Questions

<table>
<thead>
<tr>
<th><strong>ESC-20:</strong></th>
<th><strong>TEA:</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Denise Dusek</td>
<td>Federal Fiscal Compliance &amp; Reporting Division</td>
</tr>
<tr>
<td>Federal Funding Consultant</td>
<td></td>
</tr>
<tr>
<td>Special Education Component</td>
<td></td>
</tr>
<tr>
<td>(210) 370-5378</td>
<td>(512) 463-9127</td>
</tr>
<tr>
<td><a href="mailto:denise.dusek@esc20.net">denise.dusek@esc20.net</a></td>
<td><a href="mailto:compliance@tea.texas.gov">compliance@tea.texas.gov</a></td>
</tr>
</tbody>
</table>