Fiscal Compliance for Special Education:

MOE: BS6016 Schedule

MOE: Estimating FY19 Compliance

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Federal Funding Consultant
Education Service Center, Region 20
May 2, 2019
Revised 5/15/19: Revised slide 26
Learning Objectives

• Determine data elements needed to complete the MOE sections of the BS6016 schedule in the 2019-2020 Special Education Consolidated Grant application
  • MOE Eligibility Standard
  • MOE Voluntary Reduction

• Learn how to estimate FY19 MOE compliance
BS6016 Schedule – MOE Eligibility Standard

BS6016 schedule associated with the Special Education Consolidated Grant application
What is MOE?

A **federal** requirement that affects how an LEA **budgets** and **spends** their State and/or Local funds (general funds) on special education.

**Does it apply to my LEA?**

Applicable to **all LEAs that receive IDEA-B funds**, even if indirectly as a member of a special education SSA*

*Reference to Special Education SSA: N/A to RDSPD (Regional Day School Program for the Deaf) SSA; N/A to VI (Visual Impairment) Cooperatives

34 CFR §300.203
MOE – Simplified Definition

Basically,
spend at least the *same amount* every year
from the general fund
for special education

*Unless you qualify for Exceptions and/or Adjustment (Voluntary Reduction)

Otherwise, you will have a “decline in fiscal effort” and will be noncompliant with MOE
Two MOE Standards: Compliance and Eligibility

- **Compliance** Standard looks at *actual* final expenditures, so analysis performed by TEA *after-the-fact* when final expenditure data are available
  - Compares final special education expenditures from the general fund
  - Comparison between review year and most recent prior year compliant with MOE
  - TEA performs preliminary compliance review March-April; Final review April - June
    - 2017-2018 Preliminary Review performed April 2019
  - Results of Preliminary and Final analyses posted in GFFC
Two MOE Standards: Compliance and Eligibility

• **Eligibility** Standard looks at **budget** for new grant year
  
  • LEA must assure TEA they will comply with MOE in the new grant year **before** TEA can award IDEA-B funds to the LEA
  
  • Therefore, the LEA submits **general fund** budget data into the Special Education Consolidated Grant application, BS6016 Fiscal Compliance Schedule
BS6016: MOE Eligibility Standard

To assure TEA that you will be compliant with MOE in 2019-2020, you must provide the following data to TEA:

1) **Expenditure data** from the general fund for the most recent prior year compliant with MOE in which you have final expenditure data available (cannot be 2018-2019)

2) **Budget** for 2019-2020 for special education expenditures from the general fund

3) **Exceptions/adjustment** you **anticipate** will justify decreased spending in 2019-2020 from the general fund, if applicable
BS6016: MOE Eligibility Standard

1) **Expenditure data** from the general fund for the most recent prior year compliant with MOE in which you have final expenditure data

• When submitting the 2019-2020 Special Education Consolidated Grant application during the summer of 2019, you will not have final expenditures from 2018-2019

• Therefore, the most recent prior year compliant with MOE will be prior to 2018-2019

• Obtain last compliant year expenditures data from the MOE Compliance Review performed by TEA for 2017-2018
ELIGIBILITY STANDARD for 2019-2020

2018-2019 Expenditures:
Can’t use
Because final data not available

Prior Year Expenditures:
Last year MOE compliant
AND
Final data available

Compared to

2019-2020 Budget

Report on 2019-2020 Special Education Consolidated Grant Application, BS6016 Schedule

Use 2017-2018 “IDEA-B LEA MOE Compliance Review” report in GFFC to determine last year compliant with MOE

BS6016: MOE Eligibility Standard – Prior Year Expenditures

• Access GFFC Reports and Data Collections (TEAL system)

  GFFC Reports and Data Collections
  Grants and Federal Fiscal Compliance Reports

• Use drop down to locate: IDEA-B LEA MOE Compliance Review for School Year 2017-2018

  Report Title: IDEA-B LEA MOE Compliance Review
  School Year: 2017-2018
BS6016: MOE Eligibility Standard – Prior Year Expenditures

• Use TEA’s **Final** MOE Compliance Review for 2017-2018
  
  • Access data on [page 2](#) to find expenditure data for last compliant year
  
• Determine if you want to use expenditures from a combination of State and Local funds (Test 2) or Local Only funds (Test 1) for your assurance to TEA of complying with MOE in 2019-2020
Use the expenditure amount from Test 1 or Test 2 (your decision). Whichever test you use, enter that expenditure amount onto Line 1 of the BS6016.
BS6016: MOE Eligibility Standard – Prior Year Expenditures

• As of the date of this presentation, TEA has only posted their Preliminary Review for 2017-2018 MOE Compliance

• If the 2017-2018 Final MOE Compliance Review is not posted by the time you are submitting your grant application, use data from the 2017-2018 Preliminary Compliance Review

  • Ensure you use expenditures from the last compliant year, unless you submitted the 2017-2018 Exceptions Workbook to TEA for a 17-18 decline in effort and you feel certain the exceptions/adjustment will be accepted

  • No need to submit an amendment to revise the expenditures amount once the Final Compliance Review is posted in GFFC, unless:
    • Your LEA is selected for random validation and the amount does not match the final MOE Compliance Review amount
2017-2018
**Preliminary Review:**

Use the expenditure amount from Test 1 or Test 2 (your decision).

In this example, if using Test 1, use $1,700,000.

If using Test 2, use $4,746,490.

Whichever test you use, enter that expenditure amount onto Line 1 of the BS6016
BS6016: MOE Eligibility Standard: Prior Year Expenditures

- In this example, the LEA chooses to use Test 2 (combination of State and Local funds), so will enter $4,746,490 as the expenditure data on Line 1 of the BS6016 Schedule.

<table>
<thead>
<tr>
<th>LEA Name:</th>
<th>Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$4,746,490</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LEA MOE for Eligibility</th>
<th>Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Amount of special education expenditures for the most recent prior year in which complete expenditure data are available and the LEA was in MOE compliance.</td>
<td>$4,746,490</td>
</tr>
</tbody>
</table>
BS6016: MOE Eligibility Standard: 2019-2020 Budget

2) Budget data

• On Line 2, enter the 2019-2020 budget for special education expenditures from the general fund

• The budgeted amount on Line 2 must be at least the same amount as the expenditures on Line 1, unless you anticipate qualifying for exceptions/adjustment in 2019-2020

<table>
<thead>
<tr>
<th>2019-2020 Special Education Consolidated Grant Application</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Budget</td>
</tr>
<tr>
<td>BS6016 - Fiscal Compliance Requirements</td>
</tr>
<tr>
<td>Part 1: LEA MOE (Maintenance of Effort) for Eligibility and MOE Reduction</td>
</tr>
</tbody>
</table>

Per 34 CFR 300.203(a,b), to be eligible to receive an IDEA-B grant, each LEA must ensure that the amount of state and local funds or only local funds it budgets for the education of children with disabilities in that year is at least the same, either in total or per capita, as the amount it expended for services to children with disabilities in the most recent prior year for which information is available. Amounts indicated on lines 1 and 2 should be from the same fund source, meaning either state and local funds or only local funds.

For each LEA complete the information requested below for items 1-5.

<table>
<thead>
<tr>
<th>LEA Name:</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>LEA MOE for Eligibility</th>
<th>Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount of special education expenditures for the most recent prior year in which complete expenditure data are available and the LEA was in MOE compliance.</td>
<td>$4,746,490</td>
</tr>
<tr>
<td>Budget for special education for 2019-2020</td>
<td>$4,800,000</td>
</tr>
</tbody>
</table>
5 Exceptions

Lawful reasons for decline in fiscal effort:

1) Departure of Special Education personnel (salary and benefits):
   *Voluntary Departure (Retired or Resigned) or Terminated for Just Cause or Deceased*

2) Decreased enrollment of students with disabilities that results in decreased spending

3) Termination of obligation to provide costly special education program to a particular student who:
   - Left the LEA; Aged out; or No longer needs the program
   - Definition of Costly Program varies each year
   - Costly Program Defined as $9,759 for 2016-2017 school year
   - Only costs in excess of $9,759 counted toward the exception for decline in effort in 2017-2018

4) Termination of Costly Expenditures *(Capital Outlay)*
   - (N/A to Charter Schools due to method of coding Capital Assets)

5) Assumption of Cost by *High Cost Fund (Fund 226)*

For these exceptions, typically the difference in what was previously spent, compared to the decreased spending during the year being analyzed, is the amount of the exception the LEA may assert for the decline in effort (Exception for #3 where the first ~$9,759 does not count)
3) Exceptions/Adjustment, if applicable

- If Line 2 Budget is less than Line 1 Expenditures, indicate in Line 3 the exceptions/adjustment you anticipate claiming in 2019-2020
- Enter the projected amount of the exceptions/adjustment in the cell titled “Budgeted Reduction Amount”
- The sum of Line 3 “Budgeted Reduction Amount” and Line 2 Budget must equal or exceed the amount of the expenditures entered in Line 1
BS6016: MOE Eligibility Standard: Exceptions/Adjustment

3) Exceptions/Adjustment, if applicable, continued

- The exceptions/adjustment you notate in Line 3 for 2019-2020 are **projections only** (for purpose of Eligibility Standard)

- TEA’s approval of allowable exceptions/adjustment for 2019-2020 occurs during Compliance Review (spring of 2021 for 2019-2020 MOE)

<table>
<thead>
<tr>
<th>If the LEA’s budget does not equal or exceed the amount expended in the most recent prior year in which complete expenditure data are available, due to federally allowable exceptions or state reconsiderations, provide a specific justification including the amount of reduction. The amount of the reduction plus the budget amount must equal or exceed amount of expenditures. Note that this is used for grant eligibility purposes only and not final compliance determinations. All applicable federal exceptions and state reconsiderations will be reviewed and approved or rejected during the IDEA-B MOE compliance determination process.</th>
<th>Budgeted Reduction Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.</td>
<td></td>
</tr>
<tr>
<td>(a) The voluntary departure, by retirement or otherwise, or departure for just cause, of special education or related services personnel.</td>
<td></td>
</tr>
<tr>
<td>(b) A decrease in the enrollment of children with disabilities.</td>
<td></td>
</tr>
<tr>
<td>(c) The termination of the obligation of the agency, consistent with this part, to provide a program of special education to a particular child with a disability that is an exceptionally costly program, as determined by the State Education Agency (SEA), because the child-</td>
<td></td>
</tr>
<tr>
<td>- Has left the jurisdiction of the agency.</td>
<td></td>
</tr>
<tr>
<td>- Has reached the age at which the obligation of the agency to provide FAPE to the child has terminated.</td>
<td></td>
</tr>
<tr>
<td>- No longer needs the program of special education.</td>
<td></td>
</tr>
<tr>
<td>(d) The termination of costly expenditures for long-term purchases, such as the acquisition of equipment or the construction of school facilities.</td>
<td></td>
</tr>
<tr>
<td>(e) The assumption of cost by the high cost fund operated by the SEA under 34 CFR 300.704(c).</td>
<td></td>
</tr>
<tr>
<td>(f) Adjustment to Fiscal Effort (MOE Voluntary Reduction).</td>
<td></td>
</tr>
</tbody>
</table>
BS6016: MOE Eligibility Standard: Fund Sources Used

4) Fund Source

- In Line 4, indicate if you are using a combination of State and Local funds, or Local Funds only for expenditures and budget data

- Be consistent: Line 1 and Line 2 must reflect the same Fund Source
  - Local Only Prior Year Expenditures and Budget based on Local Only Funds, or
  - State & Local Prior Year Expenditures and Budget based on State & Local funds

Assurance of Eligibility:
Check the appropriate selection below:

4. The LEA assures it used the local expenditures (in total or per capita), in the most recent prior year in which data are available and the LEA was in MOE compliance, and has budgeted at least the same amount of local funds in the coming year, or budgeted reduced amount due to federally allowable exceptions or state reconsiderations.

The LEA must maintain local documentation of all expenditure and budget data referenced above and provide the documentation to TEA upon request.
BS6016: MOE Eligibility Standard Considerations

- Expenditures and budget data are for special education expenses from the **general fund** (not from IDEA-B funds)

- If your 2019-2020 budget is not final when submitting the 2019-2020 Special Education Consolidated Grant application:
  - Submit preliminary budget data
  - If the budget changes, do not submit an amendment
  - Just keep documentation of the final budget amount locally and ensure that your LEA will still be compliant with MOE in 2019-2020
BS6016: MOE Eligibility Standard Considerations

• The purpose of the **Eligibility Standard** is to ensure eligibility to receive IDEA-B funds in the new grant year, by assuring TEA you will be compliant with MOE in 2019-2020

  • However, you are simply comparing 2019-2020 **budget** to expenditures from 2017-2018 or earlier

  • For the **Compliance Standard**, your 2019-2020 **actual expenditures** will be compared not only to the last compliant year known at the time you submit your 2019-2020 grant application, but also to final 2018-2019 expenditures

• **Don’t confuse the Eligibility Standard with the Compliance Standard!**
BS6016 Schedule – MOE Voluntary Reduction

BS6016 schedule associated with the Special Education Consolidated Grant application
Voluntary Reduction
(Adjustment to Local Fiscal Effort)

An LEA may **deliberately** reduce their special education expenditures from the general fund if they choose to do so and meet the eligibility criteria to exercise this option.

Voluntary Reduction is **OPTIONAL!**
Voluntary Reduction
(Adjustment to Local Fiscal Effort)

Must meet all three criterion to be eligible for Voluntary Reduction:

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

2) Special Education Determination Status of “Meets Requirements”
   • For 18-19 MOE, review 2016-2017 TAPR
   • For 19-20 MOE, review 2017-2018 TAPR

3) Not identified as having significant disproportionality based on race or ethnicity (TEA will notify you)

If all three criterion are met, you may deliberately reduce spending for special education from the general fund by up to half the amount of the increase in IDEA-B entitlement.

However, that amount of “Freed Up” funds must be spent on Title I type activities and must be documented
### Simplistic Example for Taking Voluntary Reduction in FY19

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018-2019 IDEA-B Final Formula Entitlement</td>
<td>$500,000</td>
</tr>
<tr>
<td>2019-2020 IDEA-B Final Formula Entitlement</td>
<td>$550,000</td>
</tr>
<tr>
<td>Increase in IDEA-B Entitlement</td>
<td>$50,000</td>
</tr>
<tr>
<td>50% of Increase (&quot;Freed Up&quot; Funds)</td>
<td>$25,000</td>
</tr>
<tr>
<td>2018-2019 Expenditures for special education from the <strong>general fund</strong></td>
<td>$100,000</td>
</tr>
<tr>
<td>2019-2020 Expenditures for special education from the <strong>general fund</strong> may</td>
<td></td>
</tr>
<tr>
<td>lawfully be reduced to this lower amount</td>
<td>$75,000*</td>
</tr>
</tbody>
</table>

*Provided that:

- The LEA also met the other 2 criterion for Voluntary Reduction:
  - Meets Requirements; and Not Identified with Significant Disproportionality based on Race and Ethnicity
- The LEA chooses to exercise this option to **deliberately** reduce their special education expenditures with State and/or Local funds **and** spends the “freed up” funds on Title I type activities
- If the LEA also reserves a portion of their 2019-2020 IDEA-B Entitlement for CEIS (Coordinated Early Intervening Services), they may not use the entire amount of the “freed up” funds to reduce special education expenditures with State and/or Local funds for MOE purposes
2019-2020 BS6016 Schedule: MOE Voluntary Reduction

• You must inform TEA whether you are choosing to participate in the option of Voluntary Reduction

• Inform TEA of your decision by completing Line 5, MOE Voluntary Reduction section of the BS6016
2019-2020 BS6016 Schedule: MOE Voluntary Reduction

In Line 5 of the BS6016, choose one of three options:

1) I am **not eligible** for Voluntary Reduction in 2019-2020 (don’t meet all three eligibility criteria)

2) I am **eligible** for Voluntary Reduction in 2019-2020, **but shall not** exercise the option

3) I am **eligible** for Voluntary Reduction in 2019-2020 and **choose to** exercise the option
   • If this option is chosen, you must also indicate the dollar amount of the Voluntary Reduction
2019-2020 BS6016 Schedule: MOE Voluntary Reduction

• One of the eligibility criterion for MOE Voluntary Reduction is based on whether you have an increase in IDEA-B Formula Entitlement

• For 2019-2020 Voluntary Reduction:
  
  • Must compare 2018-2019 IDEA-B Final Formula entitlement to 2019-2020 IDEA-B Final Formula entitlement
  
  • Since you only have initial (planning amount) 2019-2020 IDEA-B Formula entitlement when completing the Special Education Consolidated Grant application, you won’t know if you will meet this criterion
2019-2020 BS6016 Schedule: MOE Voluntary Reduction

• Recommendation:

- Indicate that you do not qualify for 2019-2020 MOE Voluntary Reduction

- Later, when Final entitlements are released (Dec 2019/Jan 2020), compare 18-19 final entitlement to 19-20 final entitlement and determine whether you qualify
  
  - If you qualify, submit an amendment to change your selection from “do not qualify” to “qualify but choose not to” or “qualify and choose to exercise the option”
  
  - Remember, an increase in IDEA-B Final Formula entitlement is only one of three criterions necessary to qualify for MOE Voluntary Reduction
2019-2020 BS6016 Schedule: Eligibility Standard & MOE Voluntary Reduction

• If you are a member of a special education shared services arrangement (SSA), your Fiscal Agent completes the BS6016 Schedule on your behalf

• The Fiscal Agent enters LEA-specific data into the BS6016 for each member

• Each member will need to inform their Fiscal Agent of their LEA-specific data applicable to the BS6016
Estimate FY19 MOE Compliance

Pro-active task
Estimation of FY19 MOE Compliance

• The BS6016 Schedule, Lines 1-4, is applicable to the \textbf{Eligibility Standard} of MOE
  
  • Determining eligibility to receive 2019-2020 IDEA-B funds by assuring TEA you will be compliant with MOE in FY20 by budgeting enough general funds for special education expenditures

• Now, we will focus on the \textbf{Compliance Standard} of MOE
  
  • Estimating FY19 compliance based on 2018-2019 special education expenditures from the general fund
Four Test Methods for Compliance

Special Education Expenditures based on:

Test 1: Local Funds only

Test 2: Combination of State & Local Funds

Test 3: Local Funds only Per Capita (*per SWD*)

Test 4: Combination of State & Local Funds Per Capita (*per SWD*)

*SWD = Student with Disabilities

34 CFR §300.203

Only need to meet one test to be in compliance, however...

Subject to Subsequent Years Rule and Alternate Methods

Education Service Center, Region 20 | May 2019
Subsequent Years Rule

<table>
<thead>
<tr>
<th>YEAR:</th>
<th>EXPENDITURES FOR SPECIAL EDUCATION FROM GENERAL FUND</th>
<th>COMPLIANCE STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY16 (2015-2016)</td>
<td>$100,000</td>
<td></td>
</tr>
<tr>
<td>FY17 (2016-2017)</td>
<td>$90,000*</td>
<td>Failed MOE</td>
</tr>
<tr>
<td>FY18 (2017-2018)</td>
<td>$90,000*</td>
<td>Failed MOE</td>
</tr>
</tbody>
</table>

Meeting MOE is not simply spending the same amount you spent the previous year. You must spend the same amount you spent in the most recent prior year that was compliant with MOE.

*LEA didn’t qualify for exceptions and/or adjustment

34 CFR §300.203
Alternate Methods

Comparison must be made to most recent prior year in which the LEA was compliant with MOE with that particular test

• Compare Test 1 to most recent prior year compliant using Test 1
• Compare Test 2 to most recent prior year compliant using Test 2
• Compare Test 3 to most recent prior year compliant using Test 3
• Compare Test 4 to most recent prior year compliant using Test 4

For example: Last year compliant with Test 1 could be 15-16, while last year compliant with Test 2 could be 14-15

34 CFR §300.203
Estimation of FY19 MOE Compliance

• The purpose of estimating FY19 compliance prior to the end of the fiscal year is to help you determine if you need to make adjustments before the fiscal year end close, in order to be compliant with MOE.

• You will not be able to determine actual compliance until after you have all the data necessary.
Estimation of FY19 MOE Compliance

• At this point in time, you do not have all the data and resources needed to fully determine FY19 compliance
  • Fiscal year 2019 is not over, so no final expenditures
  • The first Near-Final Summary of Finances for 2018-2019 is not posted yet, so can’t determine local only expenditures (applicable to ISDs only)
  • TEA has not released their 2018-2019 MOE Calculation Tool

• Recommendation: Project FY19 compliance based on only one test:
  • Test 2 expenditures from the combination of state and local funds

• Use TEA’s 2017-2018 MOE Calculation Tool, but keep in mind that you will only be using certain sections, since you really need the 2018-2019 Calculation Tool to perform an analysis of FY19
The only data entry performed on Page 1 of the Calculation Tool: “LEA Name”, “CDN”, and “Compliance Review Year” at top of page 1:

“Special Education Student Count – Compliance Review School Year” near the bottom of page 1: Leave blank
Page 2 of MOE Calculation Tool

IDEA-B LEA MOE tab
For purposes of FY19 estimated compliance, limit data entry to expenditures for State and Local (Test 2) ["Original Required Level of Effort" column]
Do not enter data for Tests 1, 3, or 4

Leave the remaining cells blank.

Note: Until the Final 2017-2018 MOE Compliance Review is posted in GFFC, you will need to use the 2017-2018 Preliminary MOE Review (dated 4/17/19). Once the Final 2017-2018 MOE Compliance Review is posted, use that version for your Test 2 expenditures amount.
Page 3 of Calculation Tool

IDEA-B LEA MOE tab
Enter Year-to-Date FY19 expenditures, from the general fund, in the orange cells, according to Function Code and PIC, based on your local records.
ISDs that are members of a Special Education SSA

You will need to ask your Fiscal Agent for their Year-to-Date 2018-2019 Fund 437 expenditures spent on your behalf.

| Fcn Code | 11 | 12 | 13 | 21 | 23 | 31 | 32 | 33 | 34 | 36 | 41 | 51 | 52 | SSA expenditures paid on behalf of member LEA |
|----------|----|----|----|----|----|----|----|----|----|----|----|----|---------------------------------------------|
| Subtotal of State and Local Expenditures | $ 892,628 |
| SHARS reimbursement expended in special education (enter as a positive number) | $ - |
| Total State and Local Expenditures | $ 892,628 |

**ISDs** that are members of a Special Education Shared Services Arrangement (SSA) enter the amount spent on their behalf by their Fiscal Agent in the appropriate cell.

*N/A to members of Regional Day School Programs for the Deaf (RDSPD) SSA

*N/A to members of Visual Impairment (VI) Cooperatives

*N/A to Charter School members of SSA

Charter Schools leave this row blank.

ISDs that are **not** members of a Special Education SSA leave this row blank.
Some LEAs participate in SHARS Reimbursement (Revenue Code 5931). If so, and if any of the reimbursement amount is used for subsequent (additional) special education expenditures in 2018-2019, that amount must be subtracted from total special education expenditures from the general fund for MOE purposes.

- If your LEA isn’t participating in SHARS Reimbursement in FY19, leave this row on the MOE Calculation Tool blank.
- If your LEA is participating in SHARS but is not spending any portion of the SHARS reimbursement amount for subsequent special education expenditures in 2018-2019, leave this row on the MOE Calculation Tool blank.
- If your LEA is participating in SHARS and is using some or all of the reimbursement for subsequent special education expenditures in 2018-2019, enter the estimated dollar amount on this SHARS Reimbursement row.
Summary of Finances (SOF) Data Applicable to ISDS ONLY

This section of the ISD MOE Calculation Tool is used to impute the amount of expenditures from Local Only funds for Tests 1 and 3.

Since the first Near-Final version of the 2018-2019 Summary of Finances (SOF) is not available yet, leave this section of the spreadsheet blank.

[During the estimation of FY19 MOE compliance, we are only looking at Test 2 Combination of State and Local, not Test 1 Local Only.]
Page 1 of MOE Calculation Tool: Review Compliance Results

IDEA-B LEA MOE tab
If Test 2 fails:

- Take actions prior to end of fiscal year to try to pass Test 2
- Keep monitoring throughout the year with updated 2018-2019 expenditure data
- When the 2017-2018 Final Compliance Review is released in GFFC, perform the analysis with the results of Test 2 on page 2 of the Final MOE Compliance Review
- Determine if you have any exceptions/adjustment to bring you into compliance

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<table>
<thead>
<tr>
<th>Test</th>
<th>Description</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Test 2</td>
<td>State and Local Expenditures (Test 2)</td>
<td>$565,957</td>
</tr>
<tr>
<td>Test 4</td>
<td>Per-Capita State and Local (Test 4)</td>
<td>$</td>
</tr>
<tr>
<td>Test 1</td>
<td>Local Only Expenditures (Test 1)</td>
<td>$</td>
</tr>
<tr>
<td>Test 3</td>
<td>Per-Capita Local Only (Test 3)</td>
<td>$</td>
</tr>
</tbody>
</table>

**Potential Refund (smallest deficiency of all four tests)**

Preliminary Status: #DIV/0!
Alternative Estimation of FY19 Compliance

ESC-20 Simple Spreadsheet
Alternative Spreadsheet for Estimating FY19 Compliance

Posted on ESC-20 Special Education Funding & Compliance webpage: [https://www.esc20.net/page/ci_se.FundingResources](https://www.esc20.net/page/ci_se.FundingResources)

Located under the toggle titled “Maintenance of Effort (MOE)”

Then select the tab titled “May 2019”
Activity: Estimation of FY19 MOE

Access the 2017-2018 IDEA-B LEA MOE Calculation Tool from TEA’s webpage

Use sample data for the activity
Activity: Estimation of FY19 MOE Compliance


• Use the sample data to complete the workbook

• Repeat the activity, using the ESC-20 Template for Estimation of FY19 MOE Compliance located on the ESC-20 Special Education Funding & Compliance webpage: https://www.esc20.net/page/ci_se.FundingResources
### 2017-2018 IDEA-B LEA MOE Preliminary Compliance Review posted in GFFC:

#### PRELIMINARY
IDEA-B LEA MOE Compliance Review
School Year (SY) 2017-2018
(Fiscal Year 2018)

<table>
<thead>
<tr>
<th>LEA Name:</th>
<th>CDN:</th>
<th>Region:</th>
<th>Status: Noncompliant</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Test 1</th>
<th>Test 2</th>
<th>Test 3</th>
<th>Test 4</th>
<th>Special Ed Student Population</th>
<th>Refund Due*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Local Only</td>
<td>State and Local</td>
<td>Per-Capita Local Only</td>
<td>Per-Capita S&amp;L</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(b) Last compliant SY total expenditure and per-capita expenditure amounts</td>
<td>$391,502.55</td>
<td>$565,957.00</td>
<td>$6,416.07</td>
<td>$9,277.98</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(c) Last compliant SY special education student count</td>
<td>61</td>
<td>61</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(d) 2017-2018 SY total expenditure and per-capita expenditure amounts</td>
<td>$247,454.26</td>
<td>$453,542.00</td>
<td>$3,991.20</td>
<td>$7,315.19</td>
<td></td>
<td>62</td>
</tr>
<tr>
<td>(e) Variance (negative only)</td>
<td>($144,048.29)</td>
<td>($112,415.00)</td>
<td>($150,465.94)</td>
<td>($121,692.76)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(f) Intervening Years - total exceptions and/or adjustment to fiscal effort validated by TEA</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(g) Preliminary deficiency amounts (only for failing results)</td>
<td>($144,048.29)</td>
<td>($112,415.00)</td>
<td>($150,465.94)</td>
<td>($121,692.76)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(h) Preliminary compliance result (Pass/Fail)</td>
<td>Fail</td>
<td>Fail</td>
<td>Fail</td>
<td>Fail</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Local Records of Year to Date 2017-2018 Expenditures from General Fund:

<table>
<thead>
<tr>
<th>Function</th>
<th>PIC</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>23</td>
<td>$150,000</td>
</tr>
<tr>
<td>11</td>
<td>33</td>
<td>$25,000</td>
</tr>
<tr>
<td>12</td>
<td>23</td>
<td>$75,000</td>
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<tr>
<td>13</td>
<td>23</td>
<td>$35,000</td>
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<tr>
<td>23</td>
<td>23</td>
<td>$90,000</td>
</tr>
<tr>
<td>34</td>
<td>23</td>
<td>$80,000</td>
</tr>
<tr>
<td>93</td>
<td>23</td>
<td>$50,000</td>
</tr>
</tbody>
</table>

**Special Education SSA Fiscal Agent’s 2017-2018 Year to Date Fund 437 expenditures on behalf of member (Member requested the data from the FA):**

<table>
<thead>
<tr>
<th>Fund 437</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$55,000</td>
</tr>
</tbody>
</table>

**2017-2018 SHARS Reimbursement spent on additional special education expenditures: ZERO**
Activity: Results of FY19 MOE Estimation using Sample Data

• Grand total of 2018-2019 expenditures = $510,000

• Test 2 expenditures from 2017-2018 MOE Compliance Review = $565,957

• Decline in effort = $55,957

[Sample data listed Function 93 amount of $50,000 in list of expenditures. Function 93 is never used in MOE analysis!]
MOE Resources


• ESC-20 Special Education Funding & Compliance webpage: https://www.esc20.net/page/ci_se.FundingResources
  • Select toggle titled “Maintenance of Effort (MOE)”
Questions

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compliance@tea.texas.gov