IDEA-B (Individuals with Disabilities Education Act, Part B) requires LEAs (local educational agencies, which includes ISDs and open-enrollment charter schools) to budget and spend for special education from their general fund at least the same amount every year, unless they qualify for exceptions and/or adjustment. If the LEA does not spend the same amount as they spent before, and do not qualify for exceptions and/or adjustment, they will have a “decline in fiscal effort” and will be out of compliance with the Maintenance of Effort (MOE) requirement. Refer to the March 2019 New Directors Monthly Update for information on exceptions/adjustments and the MOE compliance standard.

In addition to the compliance standard, there is also an eligibility standard for MOE.

What is the MOE Eligibility Standard?

In order to be eligible to receive IDEA-B funds for the new grant year, you must provide an assurance to TEA that you will be compliant with MOE during that grant year.

To make that assurance, you are required to provide data in the BS6016 Fiscal Compliance schedule of the Special Education Consolidated Grant application to show TEA that you are budgeting enough to be compliant with MOE.

Special Education Shared Services Arrangements (SSAs)

The BS6016 Fiscal Compliance schedule is part of the Special Education Consolidated grant application.

If you are a member of a special education shared services arrangement (SSA), you do not have access to the Special Education Consolidated Grant Application. Therefore, you must provide your data to your Fiscal Agent so your Fiscal Agent can complete the BS6016, inserting data for each of its members.

2019-2020 BS6016 Fiscal Compliance Schedule

For the 2019-2020 IDEA-B grant, you must provide the following data:

1) Expenditure Data for Special Education
   a. From the general fund (Fund 199 for ISDs or Fund 420 for Charter Schools)
   b. From the most recent prior year that you were compliant with MOE (based on TEA’s review of compliance)
c. Use the 2017-2018 IDEA-B LEA MOE Compliance Review posted in GFFC in TEAL.

2) **Budget Data for Special Education**
   
a. For the general fund (Fund 199 for ISDs and Fund 420 for Charter Schools)
   
b. For 2019-2020
   
c. If your budget has not been finalized at the time of the submittal of your grant application, submit a preliminary budget

For the expenditures data, it is your choice on whether to use expenditures from Test 1 (Local Only) or Test 2 (Combination of State and Local).

If the Final 2017-2018 IDEA-B LEA MOE Review is posted in GFFC, go to page two and locate the expenditure amount for the Test method you select. Enter that amount into Line 1 of the BS6016.

If the Final 2017-2018 MOE Review has not been posted in GFFC, you may use the Preliminary Review, but it may not be as easy to determine the expenditures amount from the last compliant year.

To use the Preliminary Review:

- Look at row “h” to see if the result is Pass or Fail
- If Pass, use the expenditure amount indicated in row “d”
- If Fail, use the expenditure amount indicated in row “b” unless you submitted the 17-18 Exceptions Workbook to TEA and feel confident that TEA will accept your exceptions and that the exceptions will bring you to compliance. If so, you can use the expenditure amount indicated in row “d”

When you enter your general fund budget into Line 2 of the BS6016, that amount must equal or exceed the expenditures amount you entered in Line 1.

If the Line 2 budget amount is less than the expenditure amount in Line 1, you must select the exceptions listed in Line 3 that you anticipate to claim for 2018-2019 and/or 2019-2020 MOE. You will also be required to enter a dollar amount associated with the exceptions you select in Line 3. The sum of the exceptions amount in Line 3 and the budget amount in Line 2 must equal or exceed the expenditures amount in Line 1.

If the expenditures amount in Line 1 exceeds the budget amount in Line 2 (or the sum of the exceptions in Line 3 and budget in Line 2), you will not be eligible to receive IDEA-B funds in 2019-2020.

In Line 4, indicate which test method you chose to use:

- Combination of State and Local, or
- Local Only

You must be consistent with the test method. If you used “Combination of State and Local (Test 2)” for the expenditures in Line 1, your budget in Line 2 must be a budget based on a combination of state and local funds. If you used “Local Only (Test 1)” for the expenditures in Line 1, your budget in Line 2 must be a budget based on local only funds.
Random Validation of Lines 1-2

TEA will randomly select certain LEAs to validate the data entered in Lines 1 and 2 of the BS6016.

TEA will review the 2017-2018 Final IDEA-B LEA MOE Compliance Review posted in GFFC to verify that the expenditures amount you entered in Line 1 is correct. If you did not enter the correct amount, TEA will require you to submit an amendment to the BS6016 to revise the amount.

You will be required to submit the budget documentation you used for the budget amount you entered in Line 2. You will only have two business days to submit the supporting documentation to TEA.

MOE Voluntary Reduction

Line 5 of the BS6016 asks whether you are eligible for MOE Voluntary Reduction in 2019-2020 and if so, whether you will choose to exercise the option to deliberately reduce your special education expenditures from the general fund below the expenditure level of the last year compliant with MOE.

You must meet all three criterion to be eligible for Voluntary Reduction in 2019-2020:

   a. At the time you submit your 2019-2020 grant application, you will not have this information because final entitlements are not released until December 2019/January 2020.
   b. Therefore, right now, you do not know if you meet this criterion.
2) 2018 Special Education Determination Status of Meets Requirement.
   a. To determine your status, go to the 2017-2018 Texas Academic Performance Report (TAPR) located at: https://tea.texas.gov/perfreport/tapr/index.html
   b. If your 2018 Special Education Determination status is not “Meets Requirements”, then you have not met this criterion. It must be “Meets Requirements” to meet this criterion.
3) Not identified with Significant Disproportionality.
   a. If you are identified with significant disproportionality, TEA will inform you.

At the time you submit your initial 2019-2020 Special Education Consolidated Grant application, you do not have all the data you need to determine eligibility for Voluntary Reduction.

My recommendation is to check the 2017-2018 TAPR. If you do not have “Meets Requirements”, then you know that you are not eligible for MOE Voluntary Reduction in 2019-2020 and should select the first radio button in Line 5 of the BS6016, stating not eligible.

If your Determination Status is “Meets Requirements”, you know you met one of three criterion. Since you will not have the final IDEA-B Formula entitlement amount yet, select the first radio button in Line 5 (Not Eligible). Later, when the final entitlement is released, determine if you are eligible for MOE Voluntary Reduction. At that time, you should also know whether you have been identified by TEA with Significant Disproportionality and subject to sanctions.
If, during final entitlements, you determine that you meet all three criterion for MOE Voluntary Reduction in 2019-2020, submit an amendment to revise your selection in Line 5 of the BS6016. You may select Eligible, but do not choose to voluntarily reduce, or Eligible and choose to voluntarily reduce.

If you choose to voluntarily reduce MOE, you must enter the dollar amount of the reduction in the box in Line 5. Please note: the maximum amount you may voluntarily reduce MOE expenditures is half the amount of the increase in your final IDEA-B Formula entitlement (unless you are also reserving IDEA-B funds for Coordinated Early Intervening Services – CEIS, indicated in Part 2 of the BS6016).

**Compliance vs Eligibility Standards**

The first four lines of the 2019-2020 BS6016 Schedule are applicable to the Eligibility Standard (eligibility to receive IDEA-B funds in 2019-2020).

The Eligibility Standard is based on budgeting enough in 2019-2020 to be compliant with MOE in 2019-2020.

The actual test of compliance for 2019-2020 will occur in the spring of 2021 when final, actual 2019-2020 expenditures are posted in TSDS PEIMS.

**Where Can I Find My Analysis of Compliance Performed by TEA?**

TEA will post the Preliminary and the Final Analysis of MOE compliance in GFFC.

Log onto TEAL:

[https://tealprod.tea.state.tx.us/](https://tealprod.tea.state.tx.us/)

Select “GFFC Reports and Data Collections” (You must have access to this report)

Use the drop down arrow for “Report Title” to select “IDEA-B LEA MOE Compliance Review”

Then select the school year to view that year’s MOE analysis.

<table>
<thead>
<tr>
<th>Report Title:</th>
<th>IDEA-B LEA MOE Compliance Review</th>
</tr>
</thead>
<tbody>
<tr>
<td>School Year:</td>
<td>2017-2018</td>
</tr>
</tbody>
</table>

The Preliminary 2017-2018 MOE Compliance Review was posted in GFFC 4/17/19.

The Final 2017-2018 MOE Compliance Review is expected to be posted by the end of June 2019 or early July 2019.