



Maintenance of Effort (MOE) – Special Education

Maintenance of Effort (MOE) is a fiscal requirement under IDEA that obligates a local educational agency (LEA) that receives IDEA Part B funds to budget and spend at least the same amount of state and/or local funds for the education of children with disabilities from year to year.

If an LEA fails MOE and cannot document allowable exceptions, the state must treat the shortfall as an unallowable use of federal funds, and the LEA may have to repay the amount from non-federal sources.

The Four MOE Tests (LEA only needs to meet ONE)

Compare the most recent year's special education expenditures (state/local only) to the last year in which the LEA spent the highest amount:

1. Total State + Local Funds (Aggregate)
 - Did the LEA spend at least the same total amount of state and local funds on special education as that "highest year"?
2. Local Funds Only (Aggregate)
 - Did the LEA spend at least the same total amount of local funds only?
3. Per-Pupil State + Local Funds
 - Did the LEA spend at least the same per student with a disability amount using combined state and local funds?
4. Per-Pupil Local Funds Only
 - Did the LEA spend at least the same per student with a disability amount using local funds only?

Passing any one of these four satisfies LEA MOE (see below).:

Allowable Exceptions to MOE Reductions (34 CFR 300.204)	Non-Allowable Reductions (Examples)
<p>An LEA may legitimately reduce state/local spending for special education if it can document one or more of the following:</p> <ul style="list-style-type: none"> • Voluntary departure or departure for just cause of special education or related services personnel (e.g., retirement, resignation, termination for cause). • Decrease in enrollment of children with disabilities. • Termination of an exceptionally costly program for a particular student with a disability (e.g., student moved, aged out, no longer needs that level of service). • Termination of costly expenditures for long-term purchases (such as the final payment on a capital project or equipment). 	<p>The following cost reductions do not qualify as exceptions to MOE:</p> <ul style="list-style-type: none"> • Eliminating staff positions solely for budget reasons. • Reductions due to lower benefit or retirement contribution rates. • Savings from rebidding transportation or other contracts. • General cost-cutting measures not tied to the specific exceptions above.