

### ***Maintenance of Effort***

#### **F-12. Do maintenance of effort requirements apply to the *Title II, Part A* program?**

Yes. LEAs are required to maintain fiscal effort in order to receive their full allocation of *Title II, Part A* funds for any fiscal year. An LEA has maintained effort when either the combined fiscal effort per student, or the aggregate expenditures of the LEA and the State with respect to the provision of free public education for the preceding fiscal year, was not less than 90 percent of the combined fiscal effort or aggregate expenditures for the second preceding fiscal year. "Preceding fiscal year" means either the Federal fiscal year or the twelve-month fiscal period most commonly used in a State for official reporting purposes prior to the beginning of the Federal fiscal year in which funds are available. Both State and local expenditures for free public education within the State must be considered in determining whether a State has maintained effort under *Title II, Part A*. "Aggregate expenditures for free public education" includes expenditures such as those for administration, instruction, attendance, health services, pupil transportation, plant operation and maintenance, fixed charges, and net expenditures to cover deficits for food service and student body activities. States may include in the maintenance of effort calculation expenditures of Federal funds for which no accountability to the Federal government is required. (Note: there are no accountability requirements for some Impact Aid program funds; however, certain Impact Aid funds, such as those received for children with disabilities, do have accountability provisions.)

States must be consistent in the manner in which they calculate maintenance of effort from year to year in order to ensure that the annual comparisons are on the same basis (e.g., calculations must from year to year consistently either include or exclude expenditures of Federal funds for which accountability to the Federal government is not required). Moreover, States that choose to include expenditures of Federal funds for which accountability to the Federal government is not required must do so with the understanding that future years' maintenance of effort calculations may be affected by fluctuating Federal appropriations over which neither the Department, nor a State, has any control.

Finally, expenditures not to be considered in determining maintenance of effort are those for community services, capital outlay, debt service, or any expenditures of Federal funds for which accountability to the Federal government is required.

#### **F-13. What happens if the LEA fails to meet the requirements for maintenance of effort?**

If the LEA fails to meet the requirements for maintenance of effort, the SEA reduces the LEA's allocation of *Title II, Part A* funds in any fiscal year in the exact proportion by which an LEA fails to meet the 90 percent test mentioned in the preceding answer, using the measure most favorable to the LEA.

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Additional information is available at the following site:  
[http://ed.sc.gov/agency/Accountability/Federal-and-State-Accountability/old/fp/title\\_i/documents/MOE.doc](http://ed.sc.gov/agency/Accountability/Federal-and-State-Accountability/old/fp/title_i/documents/MOE.doc)