

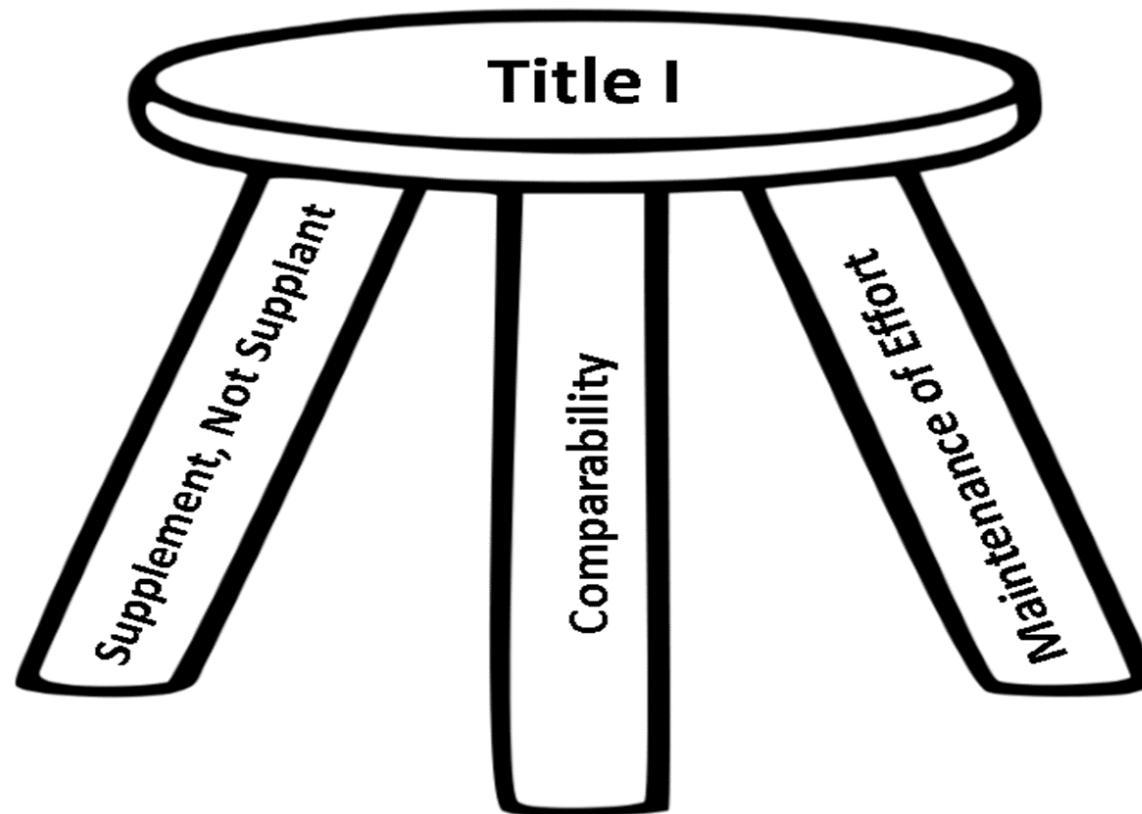
Comparability, Maintenance of Effort, Inventory, Oh My!

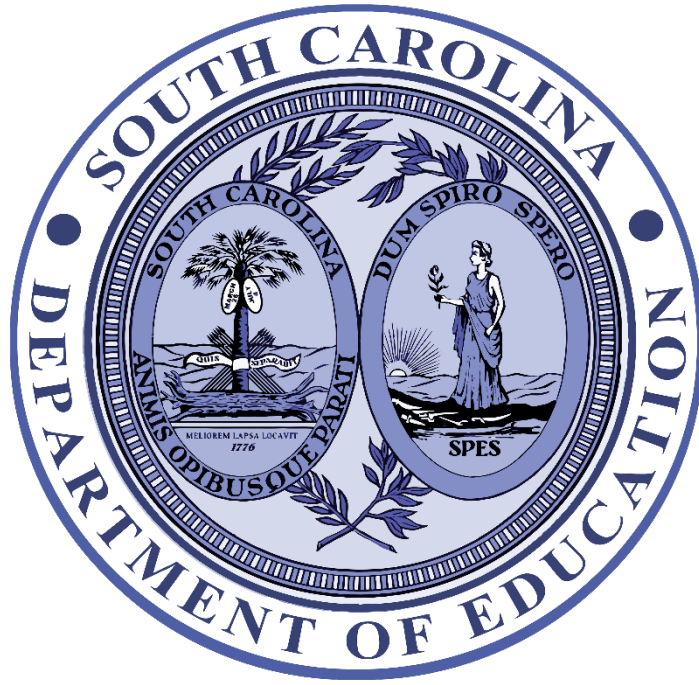
C. R. Hall, Greg King, Barret Leviner & Peggy Scott

Consolidated Oversight and Monitoring Team

ESSA Academy, March 2024

3 Legged Stool

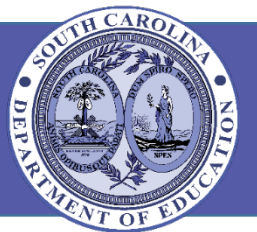




Maintenance of Effort

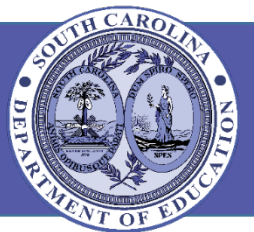
What is MOE?

- Maintenance of Effort (MOE) is a federal requirement that requires grant recipients and/or sub-recipients to maintain a certain level of state/local fiscal effort to be eligible for full participation in federal grant funding.



In Other Words

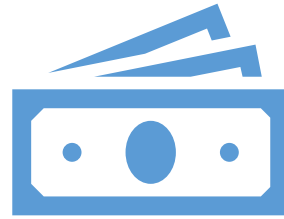
- MOE is a test of equity.
- MOE requires LEAs to demonstrate that the level of state and local funding remains relatively **constant** from year to year.
- An LEA may receive Title I funds only if the LEA has maintained its fiscal effort.



Purpose



Title I is *in addition (supplemental)* to the minimum education that all students receive.



To ensure the sub-recipient of federal funds does not spend those funds in place of state and local dollars (supplanting)



To ensure the sub-recipient spends their state and local funds for the same activities that would be provided if federal dollars were not available



“Meeting” MOE

MOE is based on the two previous years

Districts meet MOE for 2021-2022 if:

2020 state/local effort is at least 90% of 2019

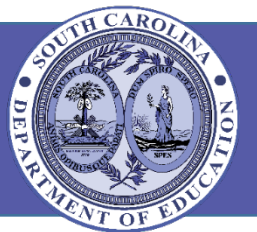
For example:

MOE for 2019: \$7,305.50

MOE for 2020: \$7,246.03 (-59.47)

90% of \$7,305.50 = \$6,574.95

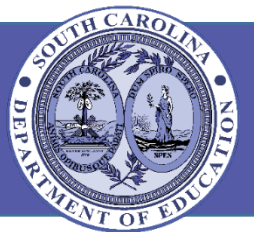
\$7,246.03 > \$6,574.95, so MOE has been met



Waiver Requests

The State has no authority to waive the MOE requirement. The U.S. Dept. of Education may waive the requirement for the following:

- exceptional or uncontrollable circumstances, such as natural disaster
- a precipitous and unforeseen decline in the financial resources of the State
- waivers may now include “a change in the organizational structure of the LEA.” [20 USC 7901 \(c\)](#)



ESSA Changes

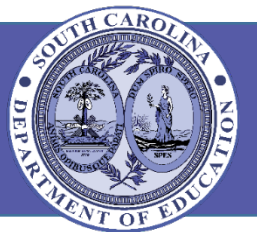
1. An LEA may fail to meet the Maintenance of Effort (MOE) test once every five years without penalty.
 - a) A penalty will be assessed if an LEA fails to meet MOE in the current year **and** failed to meet it in the previous five years.
 - b) The penalties have not changed.



Penalties Information

The penalties for not meeting Maintenance of Effort remain the same.

An LEA will receive a reduction in all federal program funding if it fails to meet the requirement and a waiver is not granted.



Penalties Information - Part 2



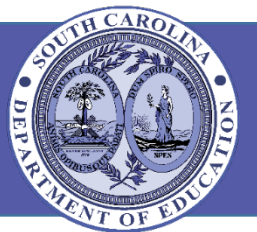
Don't tempt fate.



Plan ahead.



We are here to help you...let us.



Tips and Friendly Advice Information

Don't reinvent the wheel!

Use and fully complete the form from the SCDE website...it works! Do not use “custom” forms.

- [Maintenance of Effort \(MOE\) SCDE Webpage](#)



Tips and Friendly Advice Information - Part 2



Keep everything **consistent** from year to year.



Beware of large anomalous capital outlays.



Work closely with your Finance Director.



Review in December/January . (Give yourself time to make adjustments.)

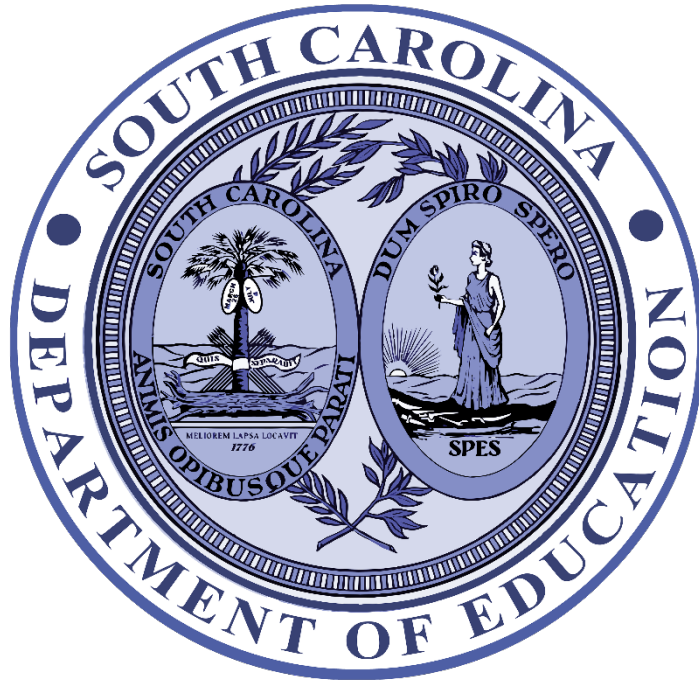


Ask questions.



Maintenance of Effort Questions



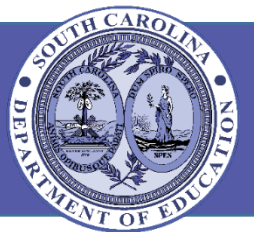


Comparability

Comparability Defined

What is comparability?

- A test of **fairness** in funding
- Why do we calculate comparability?
 - **It is Required** every year that the LEA receives Title I funding
 - ESSA, Section 1120A(c)



Comparability Exceptions

- One school per grade span
- One large school and one small school



Comparability Due Dates

Complete by NOVEMBER 15

Comparable by JANUARY 15



Comparability Timeline

January - April

- Proactively engage in district-level budget (State and local funds) discussions concerning staff assignments, equipment, and material to ensure compliance with Title IA comparability requirements.

May - July

- Conduct an introductory meeting with a human resources and LEA finance representative to discuss the requirements for completing the upcoming comparative report.
- Establish participant roles and responsibilities.
- Establish LEA-specific timelines for the completion of the report.



Comparability Timeline - Part 2

August

- Obtain a copy of the preliminary district-wide school staffing report from Human Resources.
- Compare the list of Title IA-funded staff as reflected on the School Allocation page to the Title IA-funded staff as reported by Human Resources.

September

- Gathering the data needed to complete calculations (student and staff assignments data) and running a preliminary report are recommendations and best practices.
- Run comparability using the Comparability Worksheet found on the SCDE website.
- Make comparability corrections immediately for all schools that are shown to be non-comparable.



Comparability Timeline - Part 3

October

- An LEA should collect the necessary data to demonstrate comparability as of the October full time equivalent (FTE) count day.

November

- Title IA Comparability Report is submitted annually to the Consolidated Oversight and Monitoring Team.

December - January

- If all schools in an LEA are not comparable as of the October FTE count day, the LEA will file a revised comparability report with SCDE demonstrating that, as of a date determined by SCDE, comparability has been met.



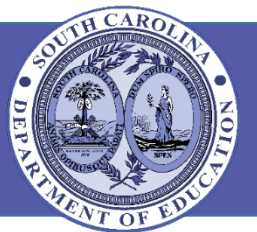
Federal Criteria

Tests (8)

SCDE picks the test

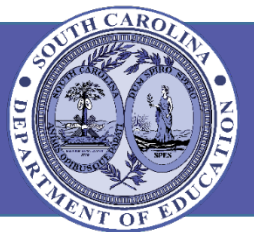
In SC, the test is **student:teacher ratio**

- District-wide salary schedule
- District policy to ensure equivalence of staff
- District policy to ensure equivalence in materials and supplies



Eligible Employees for Counting Purposes

- Instructional staff members to be included
- When an LEA measures compliance by comparing student/staff ratios, the LEA should **consistently** include the same categories of staff members in the ratios for both Title IA and non-Title IA schools.
Instructional staff may include teachers and other personnel assigned to schools who provide direct instructional services, including *music, art, and physical education teachers; guidance counselors; speech therapists; and media specialists*, as well as other personnel who provide services that support instruction, such as school social workers and psychologists.



Eligible Employees for Counting Purposes cont

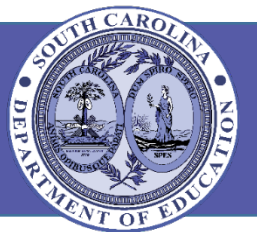
- In calculating comparability, an LEA should only include staff paid with State and local funds. This would exclude staff paid with private or federal funds. Other staff that would be excluded are principals, assistant principals, custodians, cafeteria personnel, school nurses, security personnel, pre-kindergarten teachers, pre-kindergarten paraprofessionals, secretaries, and non-instructional paraprofessionals.
- The activities authorized by ESEA include those authorized by Title VII of ESEA, the Impact Aid Program. Because Impact Aid is considered general aid to recipient LEAs, Impact Aid funds may be used for any educational activity consistent with local and State requirements. As such, Impact Aid funds are effectively deemed State and local funds for which no accountability to the federal government is required, and staff that is paid with Impact Aid funds is included in comparability determination.



Not Comparable?

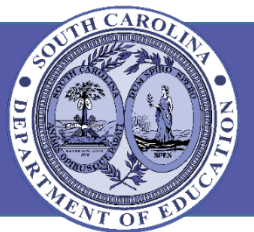
If student:teacher ratio does not work:

- Adjust funding source
- Use another method (contact SCDE first)
- Move people



Comparability Procedure

- Must count students and teachers ON SAME DAY!
- Compare Title I schools by grade spans served.
- Compare non-Title I to Title I schools, *or* if all Title I schools, compare schools with the highest poverty rates to those with the lowest poverty rates.



Comparability Procedure - Part 2

- Count students using district's Membership Count.
- Count allowed staff using best possible system (ex. personnel or finance).
- Do not count 3- or 4-year-olds.



Comparability Procedure - Part 3

- Source data must be **verifiable** by an auditor.
- Social security numbers and salaries are **not** needed.
- A K-8 school can be counted as one K-5 and one 6-8 school.

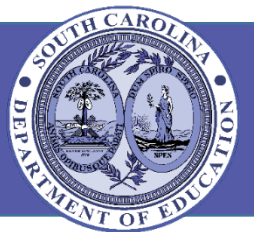


Comparability Calculation Example

Title I Elementary Schools	Grade Span	Student Enrollment	FTE Instructional Staff	Student/ Instructional Staff Ratio	Comparable?
Beaufort Elementary	KG - 5	528	70.2	7.5	Yes
Broad River Elementary	KG - 5	510	49.4	10.3	Yes
Davis Elementary	KG - 5	417	38.7	10.8	Yes
Shanklin Elementary	KG - 5	726	59	12.3	Yes
Port Royal Elementary	KG - 5	189	16	11.8	Yes
St. Helena Elementary	KG - 5	808	56	14.4	No
Shell Point Elementary	KG - 5	673	60	11.2	Yes

Non-Title I Elementary Schools	Grade Span	Student Enrollment	FTE Instructional Staff	Student/ Instructional Staff Ratio
Hilton Head	KG - 5	1,764	114.5	15.4
Lady's Island	KG - 5	757	70.0	10.8
MC Riley	KG - 5	1,005	88.0	11.4
Mossy Oaks	KG - 5	484	42.0	11.5
Total	-	4,010	314.5	12.8

110% of Student/FTE ratio for non-Title I schools * 14.08

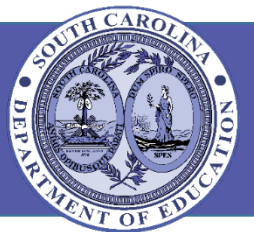


Exemptions or Exceptions

- Contact us to review any and all exemptions or exceptions.
- These may include:
 - One off or unique schools (i.e. Montessori)
 - A K-2, 3-5 or similar school may be excluded if only one in district
 - Wild swings in enrollment

Exemptions and/or exceptions will be reviewed annually.

Plan ahead in the event that this is not approved in subsequent years.



Common Issues

- Counting the wrong people.
- Source documentation not provided.



Comparability Questions





Inventory

Inventory Defined

What is inventory?

- Durable items
- Cost \$100 and over

What are supplies?

- Consumables
- Not dependent on cost (sometimes)



The Easiest Way To Manage Inventory

Don't use federal funds!



Why Go Through This???

EDGAR §200.313

200.313(b)(1) General. A state must use, manage and dispose of equipment acquired under a Federal award by the state in accordance with state laws and procedures. Other non-Federal entities must follow paragraphs (c) through (e) of this section. (c) Use. (1) Equipment must be used by the non-Federal entity in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by the Federal award, and the non-Federal entity must not encumber the property without prior approval of the Federal awarding agency.

200.313(d)(1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property (including the FAIN), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.



Required Elements

Internal Controls

- Are they in place?
- Are they up to date?
- Are you following your internal controls for allowability, procurement, etc.?

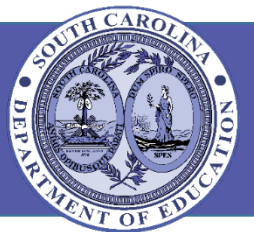


Physical Inventory

At least annually, physically go to each item in the inventory

- NOT an asset list
- Lost items must have efforts to locate documented
- Lost/Stolen items must have a police report
- Damaged, transferred, and disposed of items must be documented

Document - Document - Document



Training

- Title I Equipment and Inventory Control and Tracking Procedures

[Title I Equipment and Inventory Control and Tracking Procedures](#)

- Call us
- Ask for permission...Not forgiveness



Inventory Questions



Links

- [Comparability](#)
- [Title I Equipment and Inventory Control and Tracking Procedures](#)
- [Equipment Inventory Control Form](#)
- [Maintenance of Effort Calculation Form](#)



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