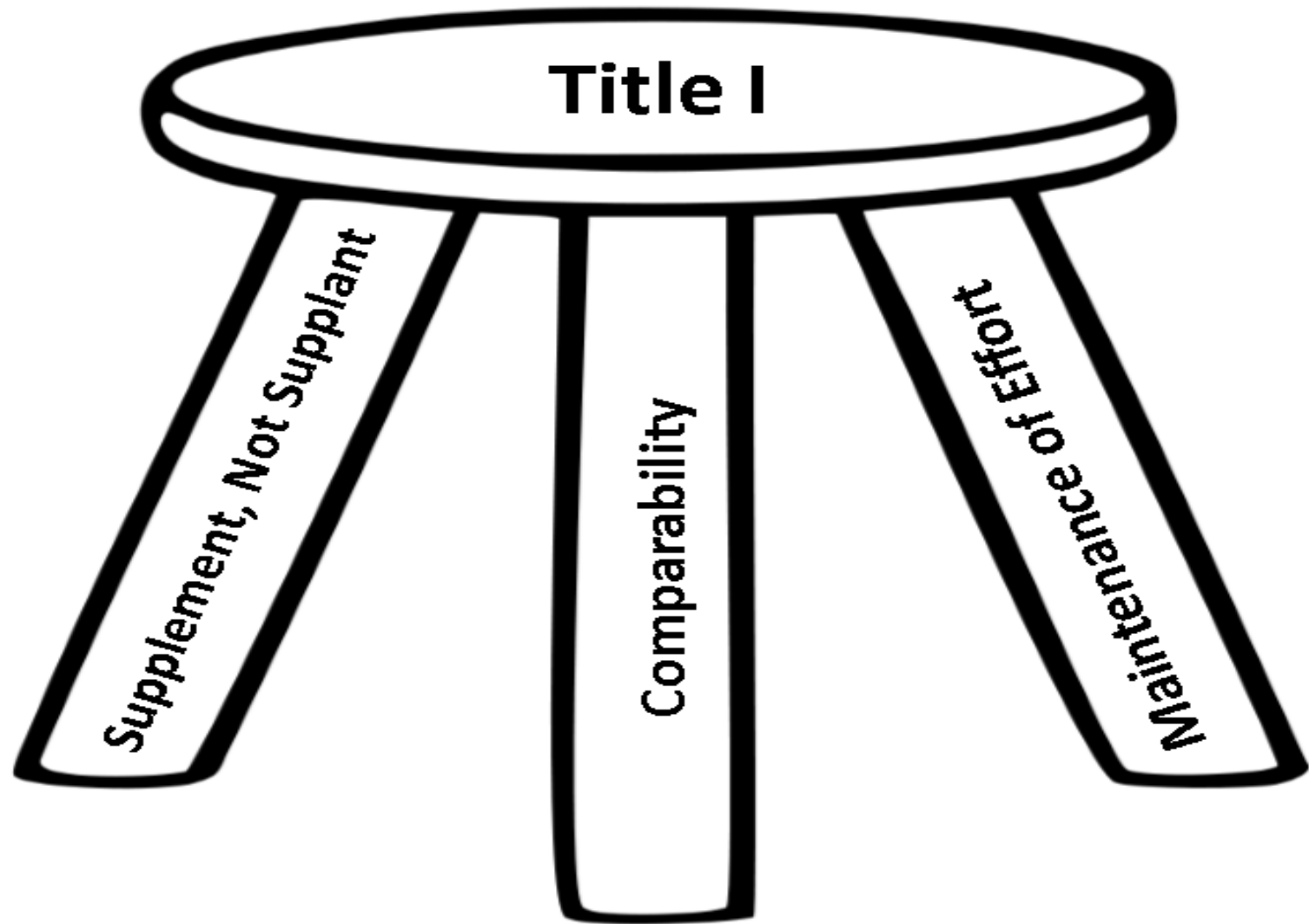


FISCAL REQUIREMENTS

Education Associate

Fiscal Requirements



Fiscal Requirements

These rules require that the LEA demonstrate:

- Services provided with Title I funds are in addition to the level of services that would be provided in the absence of federal funds. (SNS)
- State and local funding of Title I schools is at least equivalent to the funding provided to non-Title I schools. (Comparability)
- The state and the district are maintaining the current level of state and local financial support for education from year to year. (MOE)

Maintenance of Effort

Greg King

Education Associate

What is MOE?

- A test of local fiscal effort.
- 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.

The Underlying Principle

- The district is responsible for maintaining effort in providing a free public education to all students from year to year.
- Title I is *in addition (supplemental)* to the required education that all students receive.

“Meeting” MOE

- MOE is based on the two previous years
- Districts meet MOE for 2017 - 2018:
 - 2017 state/local effort = is at least 90% of 2016
 - For example:

MOE for 2016: \$7,305.50

MOE for 2017: \$7,246.03 (-59.47)

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

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



Items Removed From MOE Calculation

Expenditures for

- Community Services (310-399)
- Capital Outlay (253, 500-599, 110-190, 210-252, 254-271)
- Debt Service (500)
- Pupil Services (272 & 273)
- Supplementary expenses as a result of a presidentially declared disaster
- Funds provided by the Federal Government (411-417)

Step 1:

Preceding Year Audit Report Total Expenditures:

(Refer to the audited Location Reconciliation Schedule)

\$ 15,200,000

Step 2:

Items Subtracted From Total Expenditures in Step 1:

(List page number for each data source from Audit Report.)

Federal Expenditures (SEFA)	<u>Page</u>	\$595,000
Capital Outlay (Attach Report)		170,000.00
Debt Service	<u>Page</u>	73,500.00
Community Services	<u>Page</u>	1,600.00
Pupil Activity Fund	<u>Page</u>	45,000.00
Intergovernmental	<u>Page</u>	9,800.00
Total Amount Excluded:		\$ (894,900.00)

Total Expenditures for MOE Calculation:

\$ 14,305,100.00

Step 3:

135 ADM:

2,105

The per pupil MOE calculated for the preceding year

from Audit Year 2016:

\$ 6,795.77

Step 4:

The per pupil MOE calculated for the second preceding year

from Audit Year 2015: (Attach Worksheet)

\$ 6,576.98

Met MOE Requirements? *

Met MOE **9**

*Compare the per pupil MOE in step 3 to the per pupil MOE of step 4. The per pupil amount in step 3 must be not less than ninety percent of the per pupil amount in step 4 to meet the MOE requirement.

Note:

- SEA must determine Maintenance of Effort most favorable to each LEA.
- Allocation reduction if an LEA fails to meet the MOE requirement.

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) If an LEA fails to meet MOE in the current year **AND** has failed to meet it in the previous five years, a penalty will be assessed.
- b) The penalties have not changed.



ESSA Changes

2. Waivers may now include “a change in the organizational structure of the LEA”.

20 USC 7901 (c)

- a) Very Vague
- b) Call your project manager at the SCDE for assistance.



Penalties

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.**

- Waivers are getting tougher to obtain
- Make every effort to meet your MOE
- We are here to help you...Let us

Tips To Meeting and Reviewing MOE

- Don't Reinvent the Wheel
 - Use and fully complete the form from the SCDE website...It works! Do not use "custom" forms.
 - <http://ed.sc.gov/policy/federal-education-programs/title-i/title-i-administration/maintenance-of-effort-moe-and-comparability/maintenance-of-effort-moe/>
- Work Closely with your Finance Director
- Review Quarterly (give yourself time to make adjustments)
- Ask Questions

MOE in GEMS

- GEMS Home
- Administer
- Search
- Reports
- Inbox
- Funding
- Grant Summary
- LEA Document Library
- Address Book
- SCDE Resources
- Help for Current Page
- Request Help
- GEMS Sign Out

Stanley, Jewell

Production

Session Timeout

00:59:53

Maintenance of Effort

2001 - Fairfield County School District (2001) Public District - FY 2019 - Title I Part A - Rev 0 - Title I Part A

Go To

Step 1:	Audit Source Page #	Amount
Preceding Year Audit Report Total Expenditures: (Refer to the audited Location Reconciliation Schedule)	* 67	* \$ 50,111,437.00
Step 2: Items Subtracted From Total Expenditures in Step 1:	Audit Source Page #	Amount
Federal Expenditures (SEFA) (Upload page to Related Documents)	* 72	* \$ 5,457,651.00
Capital Outlay (Upload report to Related Documents page)	NA	* \$ 3,222,812.00
Debt Service (Upload page to Related Documents)	* 63	* \$ 1,237,711.00
Community Services (Upload page to Related Documents)	* 13	* \$ 114,661.00
Pupil Activity Fund (Upload page to Related Documents)	* 65	* \$ 473,263.00
Intergovernmental (Upload page to Related Documents)	* 13	* \$ 626,397.00
Total Amount Excluded:		\$ 11,132,495.00
Total Expenditures for MOE Calculation:		\$ 38,978,942.00
Step 3:	Audit Year	Amount
135 ADM:(Upload to Related Documents)		* \$ 2,511.00
The per pupil MOE calculated for the preceding year from Audit Year	* 2016-2	\$ 15,523.27
Step 4:	Audit Year	Amount
The per pupil MOE calculated for the second preceding year from Audit Year	* 2015-2	\$ 14,645.94
Met MOE Requirements? +		Met MOE
+ Compare the per pupil MOE in step 3 to the per pupil MOE of step 4. The per pupil amount in step 3 must be not less than ninety percent of the per pupil amount in step 4 to meet the MOE requirement.		

Due to state/local budget reductions, meeting the MOE 90% requirement may be much more difficult to achieve!!!

Coordinate with district financial staff and the Office of Federal and State Accountability to prepare!!!

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Questions

