

MDE/MSBO Workshop

MAINTENANCE OF EFFORT, EXCESS COST, AND OTHER UPDATES



Office of Special Education

October 23, 2018

Office of Special Education (OSE)

Maintenance of Effort

2

- Eligibility and Compliance – An LEA must budget and expend at least the same amount of either local, or state and local, funds on a total or per capita basis.
- For IDEA purposes, if an LEA meets their MOE, it also meets the requirement that LEAs use IDEA funds to supplement state, local, and other federal funds, and not supplant them.

Maintenance of Effort

3

- Eligibility
 - LEA must budget to meet their MOE as a condition of eligibility to receive a federal Part B (flowthrough and preschool) award.
 - Must budget at least as much as they expended in last year for which information available.
 - Example: If the year in which the LEA is establishing eligibility is 2018-19 the last year for which information is available is 2016-17.
 - No funding is recaptured.

Maintenance of Effort

4

- Compliance
 - Must expend at least as much as they expended in the previous (comparison/last year met) year.
 - Example: If the year in which the LEA is demonstrating compliance is 2018-19, the comparison year is the prior year required threshold based upon the Subsequent Years rule (last year met).
 - Shortfalls are recaptured.

Maintenance of Effort

5

- Status:
 - 2017-18 fiscal year and moving forward includes all ISDs/LEAs/PSAs in the aggregate.
 - LEA MOE Eligibility and Compliance testing in Catamaran
 - 2016-17 Compliance Testing – 2 ISDs outstanding
 - 2018-19 Eligibility Testing – 2 ISDs outstanding
 - 2017-18 Compliance Testing – on schedule for March 2019
 - 2019-20 Eligibility Testing – on schedule for June 2019

Excess Cost

6

An LEA must use IDEA funds to pay only the excess cost of providing special education and related services for children with disabilities in a given school year.

- ❑ Calculates elementary and secondary schools separately
- ❑ Not a year-to year comparison
- ❑ Tests whether or not the LEA spent a minimum average amount for the education of elementary and secondary school children with disabilities before using IDEA funds.

Excess Cost

7

- Status:
 - LEA Excess Cost Testing will be in Catamaran
 - LEA Excess Cost system is currently being developed in Catamaran
 - Followed the development of the MOE Eligibility and Compliance Testing development
 - Have received further clarification from federal technical assistance centers
 - Student counts/costs to be considered
 - Timing of testing

Excess Cost

8

- Status (continued):
 - Will be continuing to work with MSBO sub-group on
 - Development, training and implementation planning
 - Will include Single Audit perspective (members on the sub-group)
 - Will include all ISDs/LEAs/PSAs in the aggregate testing.

OSE Fiscal Updates

OSE Fiscal Updates

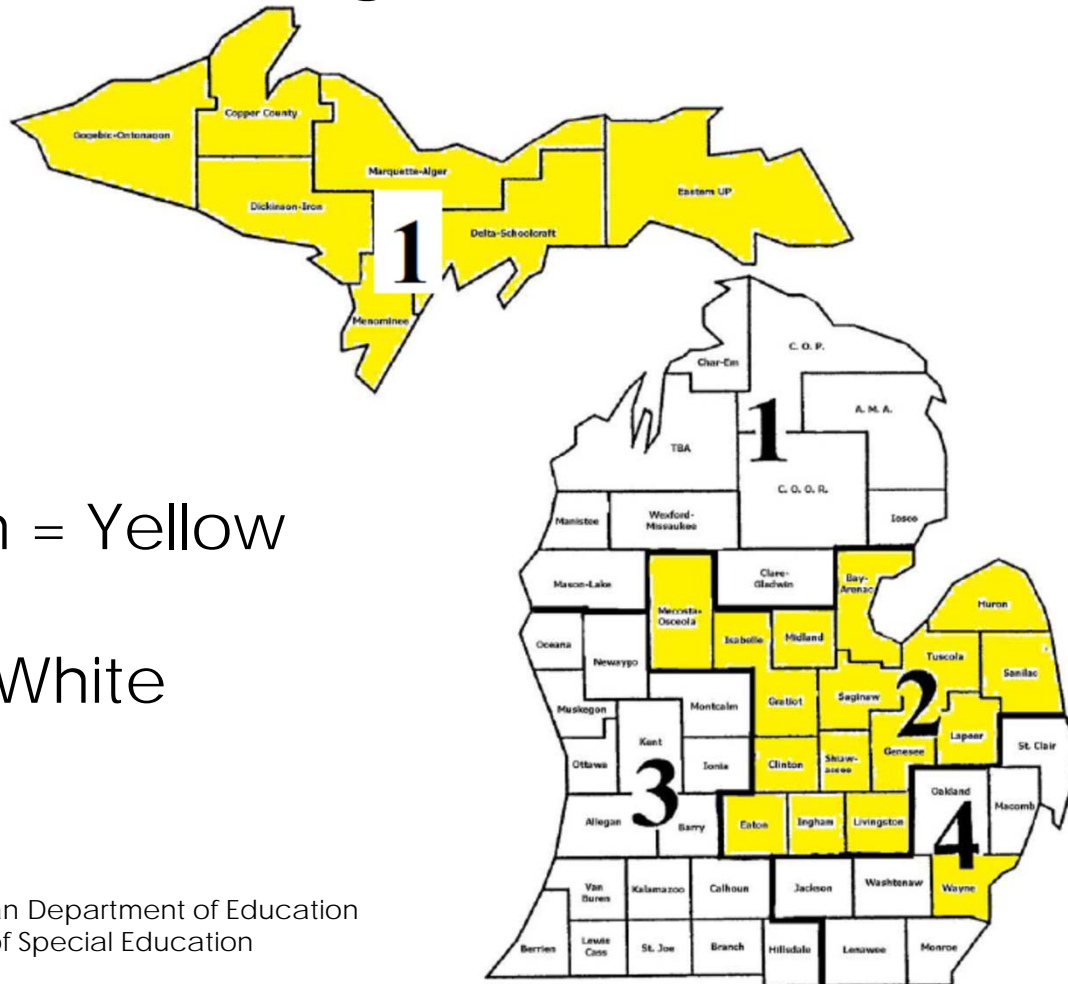
10

- Single point of contact for ISDs, LEAs, and PSAs
 - Sean McLaughlin, Financial Analyst,
mclaughlins@Michigan.gov, (517) 241-7123
 - JL Purves, Financial Analyst,
purvesj@Michigan.gov, (517) 241-7081

OSE Fiscal Updates

11

- Breakout for single contact:



Sean = Yellow

JL = White

Contact Information

12

- **John Andrejack**
 - Financial Manager, Program Finance
 - Phone: (517) 241-1235
 - andrejackj@michigan.gov
- **Scott Kemmer-Slater**
 - Financial Analyst
 - Phone: (517) 335-1662
 - kemmerslaters@michigan.gov

Reference Information

13

- Center for IDEA Fiscal Reporting (CIFR) document on [Key Differences between IDEA Local Education Agency Maintenance of Effort and Excess Cost Requirements](#)