

Technical Manual for Documenting Maintenance of Effort

Rule Series 1300



July 1, 2022

Issued by the Vermont Agency of Education pursuant to
Vermont State Board of Education Rule Series 1300 -
Special Education Finance and Census-Based Funding

Technical Manual for Documenting Maintenance of Effort

Rule Series 1300

Publication Date: July 1, 2022

Issued by the Vermont Agency of Education pursuant to VERMONT STATE BOARD OF
EDUCATION RULE [SERIES 1300](#) - SPECIAL EDUCATION FINANCE AND CENSUS-
BASED FUNDING



Contents

Contents.....	2
Purpose.....	3
Documenting Maintenance of Effort (MOE).....	3
MOE Eligibility and Compliance Standard.....	5
Eligibility Standard.....	5
Compliance Standard.....	5
Documentation and Data Needed to Maintain Effort.....	6
Allowable Expenditures.....	6
Table 1: Special Education Code List.....	7
Table 2: Example Accounting Extract/Budget List.....	7
Salary and Benefits.....	9
Table 3: Overview of Required Documentation Options.....	10
Stipend * Beyond contracted hours, certified employees only.....	11
Salary Single Cost Objective.....	11
Salary Multiple Cost Objective.....	11
Hourly single cost objective.....	11
Hourly Multiple Cost Objective.....	12
Local Education Agency (LEA) Maintenance of Effort (MOE) Calculator.....	12
1306.5 Exceptions to Maintenance of Effort (34 C.F.R. § 300.204).....	12
Adjustment to Maintenance of Effort (34 C.F.R. § 300.205).....	13
1306.4 Consequence of Failure to Maintain Effort.....	13
Appendix A **to be added soon.....	14
Staff Documentation Sample and Examples.....	14
Time Reporting using eFinance module.....	14
Work Assignment Documentation.....	14
Staff Contract.....	14
Timeline/Due Dates.....	14

Purpose

[IDEA Part B Maintenance of Effort](#) is a requirement for use of IDEA Part-B 611 and 619 grant funds to demonstrate that the level of state and local expenditures remain consistent year to year. An LEA must use IDEA Part B funds to supplement, not supplant, services and education of students with disabilities. This requirement consists of two parts: the Eligibility standard and Compliance standard.

The eligibility standard is the amount that an LEA budgets for the education of children with disabilities in a given fiscal year compared to the amount spent in the most recent fiscal year for which information is available and in which the LEA met the MOE requirement.

The compliance standard is the amount that an LEA spends for the education of children with disabilities in a given fiscal year compared to the amount spent in the most recent fiscal year in which the LEA met MOE, using the same option for both the comparison year and the current year.

Documenting Maintenance of Effort (MOE)

To meet the Maintenance of Effort Eligibility requirement, an LEA must budget at least the same amount the LEA spent for the education of students with disabilities from at least one of the following sources. Additionally, the Maintenance of Effort Compliance requirement expenditures for comparison are for the most recent fiscal year for which information is available:

- (i) Local funds only;
- (ii) The combination of State and local funds;
- (iii) Local funds only on a per capita basis; or
- (iv) The combination of State and local funds on a per capita basis.

In order to adhere to federal requirements for use of federal grants generally, and specifically the Individuals with Disabilities Education Act Part B (IDEA Part-B) Flow Through and PreK Flow Through Grants, and the Essential Early Education (EEE) grant, an LEA must demonstrate that the use of federal funds is allowable. For a particular cost to be allowable, it must be necessary, allocable, and reasonable for proper and efficient performance and administration of the IDEA grant or program (Special Education) for which the LEA is being reimbursed. A cost is reasonable if it does not exceed what an LEA would normally incur in the absence of outside sources of funds. Additional guidance about standards for determining allowable costs is available from the federal Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ([2](#)). Only allowable costs may be charged to IDEA Part B grants. Only allowable costs may be charged to IDEA Part B grants.

IDEA Part B funds must be used for the excess cost of providing special education and related services and Must be used to supplement State, local, and other Federal funds and not to supplant those funds under [34 CFR Part 300.202](#)

Under [34 CFR 300.164](#), Except as provided under §§ 300.202 through 300.205, funds paid to a State under Part B of the Act must be used to supplement and increase the level of Federal, State, and local funds (including funds that are not under the direct control of SEAs or LEAs) expended for special education and related services provided to children with disabilities under Part B of the Act and in no case to supplant those Federal, State, and local funds.

Therefore, an LEA is in compliance with supplement not supplant rules when they are in compliance with LEA MOE Requirements.

There will be a single set of rules defining special education expenditures that align with state, local, and federal funding sources to help reduce administrative burden and minimize the number of rules to which LEAs are subject in accordance with [20 U.S.C. § 1407\(a\)](#). An LEA's eligible state and local special education expenditures will be used as the basis for calculating MOE required by [34 C.F.R. 300.203](#).

- a. An expenditure is eligible for the purposes of calculating MOE and is allowable for charging to the IDEA Part B grant if it is the result of providing special education or related services and/or supplementary aids and services that are articulated in a student's IEP; or
- b. instructional, behavioral, and other academic/non-academic supports that are provided to students with and without disabilities in a common setting, as long as the services provided are articulated in an eligible student's IEP; or
- c. non-student specific expenditures reasonably related to the provision of special education services that are not provided as part of the school's standard instructional conditions.

Non-student specific expenditures include, but are not limited to, child find, special education administration costs, and the costs of software used to maintain special education files. The Agency of Education shall maintain a "Technical Manual for Use and Accounting of IDEA Part B Entitlement Grants" listing the common services that are deemed to be reasonably related to the provision of special education services. Funding streams subject to the rules found in this document for determining eligibility toward the Maintenance of Effort (MOE) calculation include:

- Census Block Grants
- Extraordinary Special Education Expenditures Reimbursement
- State-placed Special Education Reimbursement
- Local funds attributed to special education.
- Essential Early Education (EEE) grant also known as Early Childhood Special Education (ECSE)

- Individuals with Disabilities Education Act Part B (IDEA B) Flow Through and PreK Flow Through grants.

MOE Eligibility and Compliance Standard

Eligibility Standard

Beginning Spring 2023, the Eligibility standard will be prefilled by AOE in the LEA MOE Calculator, to be deployed August 2023. Additional data for the calculation will be done by the LEA in the LEA MOE Calculator.

When calculating the eligibility test for maintenance of effort, an LEA should include budgeted expenses that are attributable to the education of children with disabilities.

Compliance Standard

*Also referred to as the Supplant Test

When calculating the compliance standard for maintenance of effort, an LEA may include actual expenses that are attributable to the education of children with disabilities. [34 C.F.R. § 300.203](#). For purposes of calculating maintenance of effort, a budgeted or actual expense is attributable to the education of children with disabilities if it is the result of:

- a. providing special education or related services and/or supplementary aids and services that are articulated in a student's IEP; or
- b. instructional, behavioral, and other academic/non-academic supports that are provided to students with and without disabilities, so long as the services provided are articulated in an eligible student's IEP; or
- c. an IEP team decision to place an eligible special education student in an approved independent school that limits enrollment to students who are on an individualized education program, or a plan under Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. § 794, and who are enrolled pursuant to a written agreement between the local education agency and the school. In such a case, tuition associated with that placement shall be considered eligible and may count toward maintenance of effort.
- d. non-student-specific expenditures reasonably related to the provision of special education services. Non-student-specific expenditures include, but are not limited to, child find, special education administration costs, and costs of software used to maintain special education files.

The "Technical Manual for Use and Accounting of IDEA Part B Entitlement Grants" will also be made available and contains a list of the common services deemed to be reasonably related to the provision of special education services under (c) above. An expenditure not included in the Technical Manual may be allowed on a case-by-case basis if the Agency of Education grants written prior approval.

Documentation and Data Needed to Maintain Effort

Documentation required to support the LEA's Maintenance of Effort is to be prepared in accordance with the [VT Agency of Education's Handbook for Financial Accounting of Vermont School Systems](#) (Handbook II) and based on information from the general accounting system of the school district, joint contract school, or supervisory union.

The documentation is to include costs that reflect the previous fiscal year equal or exceed MOE methods most recently met and should include all of the salaries and benefits earned through June 30th, even if they are actually paid after June 30th. Documentation should also include the costs of services provided through June 30th.

The reports to provide MOE documentation from an LEA and its member school districts may be by using either whole dollars or dollars and cents but the method must hold consistent throughout the documentation.

Total expenses used for MOE include all expenditures incurred for the provision of special education direct instruction, related services, and special education administration costs in accordance with IDEA Part B and [State of Vermont Special Education Rules](#). Generally, these are the costs for educational services specifically for students with disabilities as required by their IEPs and the related costs of administering the special education services and the eligibility process. The cost of regular education services is not to be included, even if they are for special education students. Costs should reflect the cost of providing special education services, not the total education costs of students with disabilities if part of those costs are for regular education services.

The LEA's allowable special education expenditures for the current year are compared to the preceding fiscal year actual allowable special education expenditures (the most recent year the LEA passed one of the methods).

Allowable Expenditures

The Technical Manual for Use and Accounting of IDEA Part B Entitlement Grants provides an extensive list of allowable expenditures to include in your MOE calculations each year. LEAs should retain purchase orders, invoices, proof of receipt of services, equipment and/or supplies. All expenditures should be coded following the [VT Financial Accounting Handbook](#):

1. To meet MOE calculation with funding streams listed on page 4, please use the following codes:
 - a. With E-Finance accounting software: use the following Program codes 21, 23, 24, 25, 26 and 29
 - b. With all other accounting software's: use a Project code that will crosswalk to the Program codes 21, 23, 24, 25, 26 and 29

Program codes 21, 23, 24, 25, 26 and 29 are included in your MOE calculation.

Table 1: Special Education Code List

Program Code	Code description
20 *	Special Education - This is a roll up code. Do not book anything to Program 20 directly. However, all transactions associated with a 20-series program code must be associated with serving students with disabilities
21	K-12 Special Education Eligible
22 *	K-12 Special Education Ineligible
23	K-12 Special Education Collaborative
24	Early Childhood Special Education (ECSE)
25	Coordinated Early Intervening Services (CEIS)
26	Proportionate Share
29	Other Special Education Programs

*Not an allowed program code expenditure to be included in the IDEA-B MOE calculation.

Table 2: Example Accounting Extract/Budget List

Prog. Code	Prog. Code Description	Object Code	Object Code Description	Function Code	Function Description	Additional Info
21	K-12 Special Education Eligible	100	Personal Services Salaries	1000	Instruction	salaries for teachers and paraprofessionals for EYS direct services and service coordination for K-12. FTE 2.6
24	Early Childhood Special Education (ECSE)	100	Personal Services Salaries	1000	Instruction	salaries for teachers and paraprofessional for EYS direct services and service coordination for PK FTE .6
26	Proportionate Share	100	Personal Services Salaries	1000	Instruction	salary for coordination and oversight of student on ISP FTE 0.01

Prog. Code	Prog. Code Description	Object Code	Object Code Description	Function Code	Function Description	Additional Info
23	K-12 Special Education Collaborative	100	Personal Services Salaries	2170	Physical Therapy - Related Services	salary for physical therapy service for students with disabilities FTE 1.9
25	Coordinated Early Intervening Services (CEIS)	100	Personal Services Salaries	2495	Administration of Grants	CCEIS - administration salaries - root cause analysis & plan development (0.1 FTE)
21	K-12 Special Education Eligible	200	Personal Services Employee Benefits	1000	Instruction	benefits for coordination and oversight of EYS services
24	Early Childhood Special Education (ECSE)	200	Personal Services Employee Benefits	1000	Instruction	benefits for coordination and oversight of EYS services
25	Coordinated Early Intervening Services (CEIS)	200	Personal Services Employee Benefits	1000	Instruction	CCEIS - consulting teacher benefits (0.2 FTE for 3rd trimester)
25	Coordinated Early Intervening Services (CEIS)	200	Personal Services Employee Benefits	1000	Instruction	CCEIS - consulting teachers benefits
26	Proportionate Share	200	Personal Services Employee Benefits	2150	Speech Pathology and Audiology Services	benefits for direct instruction by the speech and language pathologist for students with ISP plans FTE .01

Prog. Code	Prog. Code Description	Object Code	Object Code Description	Function Code	Function Description	Additional Info
23	K-12 Special Education Collaborative	200	Personal Services Employee Benefits	2170	Physical Therapy - Related Services	benefits for physical therapy services for students with disabilities FTE 1.9
25	Coordinated Early Intervening Services (CEIS)	200	Personal Services Employee Benefits	2495	Administration of Grants	CCEIS - administration benefits - root cause analysis & plan development (0.1 FTE)
25	Coordinated Early Intervening Services (CEIS)	300	Purchased Professional and Technical Services	2213	Instructional Staff Training	CCEIS contracted service to assist with state improvement plan process
21	K-12 Special Education Eligible	500	Other Purchased Services	2700	Student Transportation	specialized transportation for students with IEPs
25	Coordinated Early Intervening Services (CEIS)	600	Supplies	2150	Speech Pathology and Audiology Services	CCEIS supplies for assistive technology
29	Other Special Education Programs	800	Subgrants Memberships and Misc	2495	Administration of Grants	professional dues for SPED Administration

Salary and Benefits

Guidance for LEAs to ensure that special education staff salary and benefits are properly captured for inclusion in the required IDEA Part B MOE Compliance Standard are found in [34 C.F.R. § 200.403](#):

1. be supported by a system of internal controls which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
2. be incorporated into official records;

3. reasonably reflect total activity for which the employee is compensated, not exceeding 100% of compensated activities;
4. encompass both federally assisted and all other activities compensated by the district on an integrated basis;
5. comply with the established accounting policies and practices of the non-federal entity; and
6. support the distribution of the employee’s salary or wages among specific activities or cost objectives.

The table below provides an overview of different options for documentation required for tracking of special education staff salaries and benefits used for MOE.

Table 3: Overview of Required Documentation Options

	Periodic Certification – (including Blanket Periodic Certification) Timing - Semi-Annually, annually	Employment contracts * if data are available to separate the work, and the cost objective Timing - Varies	Work Assignment / Schedule Timing - Varies, for schedules that are fixed	PAR (Personnel Activity Report) Timing - Daily	Attendance Sheet Timing - Varies, depending on task
Salary single cost objective	Applicable	Applicable	Applicable	Applicable	Not Applicable
Salary multiple cost objective	Not Applicable	Not Applicable	Applicable	Applicable	Not Applicable
Hourly single cost objective	Applicable	Applicable	Applicable	Applicable	Not Applicable
Hourly multiple cost objective	Not Applicable	Not Applicable	Applicable	Applicable	Not Applicable
Stipend *Beyond contracted hours, certified employees only	Applicable	Applicable	Applicable	Applicable	Applicable

Stipend * Beyond contracted hours, certified employees only

1. Periodic Certification – (including Blanket Periodic Certification)
 - a. Examples, full FTE – if 3 staff are hired for the same tasks, those staff could be included in a blanket periodic certification.
2. PAR (Personnel Activity Report)
 - a. Timesheet timing column daily recording
 - b. capture required elements for cost data/cost objective
 - c. example time reporting system
3. Attendance Sheet – if stipend is paid as flat/daily rate for attendance, i.e, summer conference or training
4. Employment contracts * if they have the data to separate the work, and the cost objective
5. Official Record of Employment Activities— allocational if contracts are written clearly, if their contracts specifically identify FTE 1
6. PAR (Personnel Activity Report)
 - a. Timesheet timing column daily recording
 - i. capture required elements for cost data/cost objective
 - ii. example time reporting system
7. Work Assignment – if work assignment is fixed, example, 3 hours per day performing one specific task –timing column various for the period that schedule is fixed.
8. Long Term Subs

Salary Single Cost Objective

1. Periodic Certification (including Blanket Periodic Certification)
 - a. Examples, full FTE – if 3 staff are hired for the same tasks, those staff could be included in a blanket periodic certification
2. Official Record of Employment Activities— allocational if contracts are written clearly, if their contracts specifically identify FTE 1
3. Employment contracts * if they have the data to separate the work, and the cost objective
4. Work Assignment/Schedule

Salary Multiple Cost Objective

1. PAR (Personnel Activity Report)
 - a. Time period, quarterly, annually
2. Work Assignment – if work assignment is fixed, example, 3 hours per day performing one specific task –timing column various for the period that schedule is fixed.
 - a. Long Term Subs

Hourly single cost objective

1. Periodic Certification (including Blanket Periodic Certification)

- a. Examples, full FTE – if 3 staff are hired for the same tasks, those staff could be included in a blanket periodic certification.
- b. PAR (Personnel Activity Report)
 - i. Timesheet timing column daily recording
 1. capture required elements for cost data/cost objective
 2. example time reporting system
 2. Employment contracts * if they have the data to separate the work, and the cost objective
 3. Official Record of Employment Activities— allocational if contracts are written clearly, if their contracts specifically identify FTE 1
 4. Work Assignment/Schedule
 5. PAR (Personnel Activity Report)
 - a. Timesheet timing column daily recording
 - i. capture required elements for cost data/cost objective
 - ii. example time reporting system

Hourly Multiple Cost Objective

1. PAR (Personnel Activity Report)
 - a. Timesheet timing column daily recording
 - i. capture required elements for cost data/cost objective
 - ii. example time reporting system
2. Work Assignment – if work assignment is fixed, example, 3 hours per day performing one specific task –timing column various for the period that schedule is fixed.
 - a. Long Term Subs

Local Education Agency (LEA) Maintenance of Effort (MOE) Calculator

The Center for IDEA Fiscal Reporting (CIFR) developed the Local Educational Agency (LEA) Maintenance of Effort (MOE) Calculator to help:

- Document a LEA’s local or state and local fiscal effort for special education and related services.
- Determine whether that effort satisfies the IDEA’s LEA MOE requirement ([34 CFR §300.203](#)), which states that every LEA must budget and expend at least the same amount of funds for the education of children with disabilities as the previous year.

This requirement includes both an eligibility standard — the LEA must budget at least the same amount as in previous years — and a compliance standard — the LEA must expend at least the same amount as in previous years. IDEA permits LEAs to meet each of these standards by any of four methods: by calculating total local funds, total state and local funds, local per capita funds, or state and local per capita funds.

1306.5 Exceptions to Maintenance of Effort ([34 C.F.R. § 300.204](#))

For the following reasons, allowance may be made for the difference between the level of effort in the current fiscal year and the amount required to maintain effort:

- (a) The voluntary departure, by retirement or otherwise, or departure by just cause, of special education or related services personnel;
- (b) A decrease in the enrollment of students with disabilities;
- (c) The termination of the obligation of the LEA, consistent with this part, to provide a program of special education to a particular student with a disability that is an exceptionally costly program, as determined by the Secretary, because the student has left the jurisdiction of the LEA, has reached the age at which the obligation of the LEA to provide FAPE to the student has terminated, or no longer needs the program of special education;
- (d) The termination of costly expenditures for long-term purchases, such as the acquisition of equipment or the construction of school facilities; or Vermont State Board of Education Rules Series 1300 – Special Education Finance and Census-Based Funding;
- (e) The assumption of cost by the high cost fund operated by the Secretary under [34 C.F.R. 300.704\(c\)](#). Currently, Vermont does not operate a high cost fund.

Adjustment to Maintenance of Effort ([34 C.F.R. § 300.205](#))

If your LEA is at risk for not meeting MOE, An LEA may reduce its MOE obligation by up to 50 percent of the amount of the increase in its Part B Section 611 allocation if you meet certain conditions.

1306.4 Consequence of Failure to Maintain Effort

If an LEA fails to maintain its level of expenditures for the education of students with disabilities in accordance with Rule 1306.2, and does not qualify for an exception per Rule 1306.5, the Agency of Education is liable in a recovery action under Section 452 of the General Education Provisions Act ([20 U.S.C. 1234a](#)) to return to the Department of Education, using non-federal funds, an amount equal to the amount by which the LEA failed to maintain its level of expenditures in that fiscal year, or the amount of the LEA's Part B subgrant in that fiscal year, whichever is lower.

Appendix A **to be added soon

Staff Documentation Sample and Examples

Time Reporting using eFinance module

Work Assignment Documentation

Staff Contract

Timeline/Due Dates