

# MAINTENANCE OF EFFORT

## PURPOSE:

Each year OSPI performs preliminary and final maintenance of effort (MOE) tests on selected federal programs to ensure that each district is maintaining effort and not supplanting. The first set of preliminary tests are completed during the F-196 process ending in November, and the final tests are performed using F-196 and final year-end enrollment data the following March.

There are four Maintenance of Effort tests that are performed:

1. **Federal Cross-Cutting,**
2. **Vocational Education,**
3. **Indian Education, and**
4. **Special Education.**

In addition, there is a **Federal Excess Cost Verification** test for Special Education.



## 1. **Federal Cross-Cutting**

The federal cross-cutting MOE test compares a calculated expenditure amount in the tested year with a calculated expenditure amount in a base year. This test performs two different calculations: an aggregate expenditure test and a per pupil expenditure test. Usually, the base year is the previous year. If the tested year's calculated expenditures are less than 90 percent of the base year's calculated expenditures, the school district is considered non-compliant. As an example, the MOE test comparing FY 2023–24 versus FY 2022–23 will determine if a deduction is required for FY 2024–25. A district is considered non-compliant when both the aggregate and per pupil test are below 90 percent.

The maintenance of effort requirements applies to the following ESEA programs listed in Title 34 CFR § 299.5:

- Part A of title I (Improving Basic Programs Operated by Local Educational Agencies).
- Part D of title I (Prevention and Intervention Programs for Children and Youth Who Are Neglected, Delinquent, or At Risk).
- Part A of title II (Supporting Effective Instruction).
- Part A, subpart 1 of title III (English Language Acquisition, Language Enhancement, and Academic Achievement), except for section 3112.
- Part A of title IV (Student Support and Academic Enrichment Grants).
- Part B of title IV (21st Century Community Learning Centers).
- Part B, subpart 2 of title V (Rural and Low-Income School Program).
- Part A, subpart 1 of title VI (Indian Education Formula Grants to Local Educational Agencies).

### **Failure to Meet the Requirement**

If a district does not maintain effort, the resources awarded to the school district for the ESEA programs will be reduced in proportion by which the districts failed to maintain effort. For example, if a district does not maintain effort by 3 percent (both tests are 87 percent); the allocation for these programs for the current year will be reduced by 3 percent.

In addition, in the following year, the district's comparison level for effort is tested against the amount the district would have needed to spend to maintain effort, not the actual spending level. For example, in 2022–23 a district had \$1,000,000 in expenditures. In 2023–24, the district only spent \$850,000, which means it failed to maintain effort (85 percent). In 2024–25, the district's expenditures are compared against \$900,000 – the amount the district would have needed to maintain effort in 2023–24.

### **Waiver**

The Department of Education may waive the MOE requirement if it is determined that such a waiver would be equitable due to:

- Exceptional or uncontrollable circumstances such as a natural disaster; or
- A precipitous decline in the financial resources of the district.

## **2. Vocational Education**

The vocational MOE test is performed each spring and compares a calculated expenditure amount in the tested year with a calculated expenditure amount in a base year. The state level test is performed in accordance with 34 CFR 403.182 which provides for both aggregate and per pupil tests. The state must maintain a 100 percent effort level. For school districts, if the aggregate and per pupil tests are less than 90 percent of the base year's calculated expenditures, the school district is considered to have not maintained effort.

## **3. Indian Education**

For those districts that receive funding under Title VII, Indian Education Formula Grant Program, the MOE test is required to be performed annually at both the state and district levels. The amount spent in the year under review should be at least 90 percent of the total spent in the year prior to the review according to the per student basis or the aggregate basis to meet the MOE requirements.

In comparing the funds, all funds generated at the state and district levels are considered, including expenditures for administration, instruction, attendance, health services, pupil transportation services, operation and maintenance of plant, fixed charges, and net expenditures to cover deficits for food services and student activities. Items excluded from the comparison include expenditures for community services, capital outlay, and debt service. In addition, aggregate expenditures for the purposes of this program do not include any expenditure from funds generated from any federal program of assistance.

## **4. Special Education**

The purpose of the maintenance of effort (MOE) requirement is to ensure that local education agencies (LEAs) provide the financial support necessary to make a free appropriate public education (FAPE) available to eligible children with disabilities.

Special Education MOE tools and guidance are found on the [Special Education Funding in Washington State](#) webpage.

## **FEDERAL SPECIAL EDUCATION EXCESS COST VERIFICATION**

Amounts that districts receive under the Individuals with Disabilities Education Act (IDEA) are only allowed to be spent on the excess costs of providing special education and related services to children with disabilities.

Special Education Excess Cost tools and guidance are found on the [Special Education Funding in Washington State](#) webpage.