



# Grants Management Policy



Policy Name	<b>Eligibility and Compliance for IDEA MOE</b>		
Policy #	<b>GP1.1</b>	Policy Section	<b>Processing</b>
Date Approved	<b>2/26/19</b>	Approved By	<i>Sarah Hendrix</i> Deputy Associate Superintendent, Grants Management
Date Updated	<b>N/A</b>		

## Audience

**This policy pertains to Local Education Agencies.**

## Purpose

The purpose of this policy is to clarify the Local Education Agency (LEA) responsibilities in maintaining eligibility and compliance for the Individuals with Disability Act (IDEA) Maintenance of Effort (MOE) requirement processed through the Grants Management Processing Unit.

## Overview

The MOE requirement requires any LEA receiving IDEA Part B funds to budget and spend at least the same amount of local, or state and local, funds for the education of children with disabilities on an annual basis. The required MOE levels that must be budgeted and spent are referred to, respectively, as the “eligibility standard” and the “compliance standard.” The intent behind the LEA MOE requirement is to ensure that the LEA maintains at least the same level of spending for the education of students with disabilities from year to year.

## *Terms*

**Global Hold:** The LEAs entire portfolio of grants will not receive fund disbursements.

**Comparison Year:** Refers to the fiscal year that an LEA uses to determine the amount of local, or State and local, funds it must budget or spend, to meet both the LEA MOE eligibility and compliance standards. The comparison year differs for each standard and may be affected by the Subsequent Years rule.

## *Exceptions*

An LEA may reduce the level of MOE if it takes an adjustment under 34 C.F.R. § 300.205 or one or more of the following exceptions exists (for a detailed explanation review 34 C.F.R. § 300.204 ):

1. A voluntary, or for cause, departure of special education staff.
2. A decrease of enrollment of IDEA eligible children.



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3. The termination of the obligation of the agency, consistent with this part, to provide a program of special education to a particular child with a disability that is an exceptionally costly program, as determined by the SEA, because the child
  - a. Has left the jurisdiction of the agency;
  - b. Has reached the age at which the obligation of the agency to provide Free Appropriate Public Education (FAPE) to the child has terminated; or
  - c. No longer needs the program of special education.
4. A termination of costly expenditures for long term purchases.
5. An assumption of costs by its SEA's high cost fund.

### **Policy**

An LEA must maintain (or increase) the amount of local, or State and local, funds it spends for the education of children with disabilities when compared to the comparison year.

An LEA's MOE eligibility and compliance thresholds will be tested annually based on the Arizona Education Data Standards (AzEDS) average daily membership data as well as the Fiscal Year Budget or the Annual Financial Report (AFR). **Once the MOE compliance or eligibility threshold is determined the AFR and AzEDS data is locked in and cannot be changed for MOE purposes.** Any changes made to the AFR and AzEDS data after the MOE compliance or eligibility threshold is met will not be recognized for future MOE comparison.

When determining both MOE eligibility and compliance thresholds an LEA must pass based on one of the four criteria:

1. Local funds only;
2. The combination of State and local funds;
3. Local funds only on a per capita basis; or
4. The combination of State and local funds on a per capita basis

### ***Eligibility***

The eligibility standard in §300.203(a) requires that in order to find an LEA eligible for an IDEA Part B subgrant for the upcoming fiscal year, the State Education Agency (SEA) must determine that the LEA has budgeted for the education of children with disabilities at least the same amount of local, or State and local, funds, as it actually spent for the education of children with disabilities during the comparison year for which information is available. If the LEA meets this threshold MOE eligibility is achieved.

If the MOE eligibility threshold **is not met** the LEA will be notified and has thirty (30) calendar days to complete one of the following actions:

1. Update Budget.
2. Enter at least one exceptions – as indicated under *Exceptions* in this document.



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An IDEA funding application will not be approved until the MOE eligibility standard is met. In turn, if the MOE eligibility standard is not met this will result in not receiving substantial approval status, which will impact when funds can be obligated. No pre-award cost will be granted due to not meeting the MOE eligibility threshold.

### *Compliance*

The compliance standard in §300.203(b) prohibits an LEA from reducing the level of expenditures for the education of children with disabilities made by the LEA from local, or State and local, funds below the level of those expenditures from the same source for the comparison year. Essentially, an LEA must maintain (or increase) the amount of local, or State and local, funds it spends for the education of children with disabilities when compared to the comparison year

1. If the MOE eligibility threshold **is not met** the LEA will be notified and has thirty (30) calendar days to complete one of the following actions:
  - a. Update most recent AFR.
  - b. Enter at least one exception – as indicated under *Exceptions* in this document.
  - c. Repayment amount is the difference between what the LEA actually spent and what the LEA should have spent to meet the MOE requirement.

If action is not taken by the LEA within thirty (30) calendar days, on day thirty-one (31) the LEA will be placed on a global hold for failure to return funds. If the LEA does not meet the MOE compliance threshold and has not remitted repayment of the funds after one hundred and twenty (120) calendar days, the entity will be referred to the Arizona Attorney General's Office for collections.