



LEA Maintenance of Effort (MOE) Adjustment To Local Fiscal Efforts FAQ Sheet:

Under 34 CFR §300.205, for any fiscal year for which an LEA's IDEA section 611 allocation exceeds the amount the LEA received for the previous fiscal year, the LEA may reduce the level of expenditures for the education of children with disabilities otherwise required by 34 CFR §300.203(b) by not more than 50 percent of the amount of that excess.

What conditions determine whether an LEA may use the LEA MOE adjustment?

- LEA "met requirements" in the SEA's most recent determinations about the performance of LEAs under 34 CFR §300.608(a)
- SEA has not taken responsibility for providing free appropriate public education for eligible children with disabilities in the LEA or taken action against the LEA under Section 616 of IDEA
- LEA is not required to reserve the maximum 15 percent of its IDEA Part B allocation on CCEIS due to significant disproportionality under 34 CFR §300.646

LEA MOE Adjustment Conditions

- Freed-up funds must be spent on activities allowable under ESEA and SEAs should monitor and track those funds
- Funds expended for voluntary CEIS reduce the maximum amount that may be reduced
- LEAs required to spend IDEA funds for comprehensive CEIS are not eligible for the LEA MOE adjustment



What Are Freed-Up Funds?

When an LEA reduces the amount of state or local funds that it must spend by using the LEA MOE adjustment, it “frees up” state or local funds that would have been spent on the education of children with disabilities. Those “freed-up funds,” as they are commonly referred to, are now available for other purposes. Under 34 CFR §300.205(b), the LEA must use an amount of state or local funds equal to the amount of the freed-up funds to carry out activities that could be supported with funds under the Elementary and Secondary Education Act (ESEA), regardless of whether the LEA has used ESEA funds for those activities.

Freed-Up Funds Allowable Activities:

- Title I, Part A – Improving Basic Programs Operated by LEAs
- Title I, Part C – Education of Migratory Children
- Title II – Preparing, Training, and Recruiting High-Quality Teachers, Principals, or other School Leaders
- Title III – Language Instruction for English Learners and Immigrant Students
- Title IV, Part A – Student Support and Academic Enrichment Grants
- Title IV, Part B - 21st Century Community Learning Centers; and
- Title IX-A - Homeless Children and Youths.

LEA MOE Adjustment and Voluntary Coordinated Early Intervening Services

- LEAs that seek to adjust LEA MOE under 34 CFR §300.205 and use Part B funds for CEIS under 34 CFR §300.226 must do so with caution because these provisions interact.
- Voluntary coordinated early intervening services (CEIS) are services provided to children who are not currently identified as needing special education or related services, but



who need additional academic or behavioral support to succeed in a general education environment. 34 CFR 300.226, allows an LEA to use up to 15 percent of its combined IDEA section 611 and section 619 funds to provide scientifically based CEIS to children without a disability in grades K through 12, with an emphasis on children in grades K through 3.

- The total amount used for CEIS and the LEA MOE adjustment together cannot exceed the lesser of the total maximum amounts available, for the LEA MOE adjustment or for CEIS.
- 34 CFR §300.205(d) “Special rule. The amount of funds expended by an LEA for early intervening services under §300.226 shall count toward the maximum amount of expenditures that the LEA may reduce under paragraph (a) of this section.”