



# ESS FISCAL UPDATE

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ESS PROGRAM MANAGEMENT

FEBRUARY 16, 2023

# AGENDA

- Fiscal Year 2024 IDEA Part B Funding Applications
- Available Funding for Fiscal Year 2023
- Maintenance of Effort Compliance Test

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# FISCAL YEAR 2024 IDEA PART B FUNDING APPLICATIONS

## IDEA PART B FUNDS IN ARIZONA

### SECTION 611-SUBGRANTS TO LEAS

Serves students ages 3–21

Section 611 of the IDEA (formerly called the IDEA Basic grant)

Approximately \$194 million in FY24 Preliminary Award

634 public education agencies

<https://bit.ly/FY2024PS>

### SECTION 619-PRESCHOOL SUBGRANTS TO LEAS

Serves students ages 3–5, including Kindergarten

Section 619 of the IDEA (formerly called the IDEA Preschool grant)

Approximately \$4.2 million in FY24 Preliminary Award

438 public education agencies

# FY24 PRELIMINARY ALLOCATIONS

2024 IDEA Preliminary		Updated on: 2/7/23		Contact <a href="mailto:essprogrgmt@azed.gov">essprogrgmt@azed.gov</a> for questions.				
Entity ID	CTDS	PEA Name	Section 611 Allocation	ages 3-21)	Section 619 Allocatio	Kindergarten ages 3	CEIS	Maximum Amount that can be used for
1000166	118720000	A+ Charter Schools	\$ 33,813.93	\$ -	\$ -	\$ -	\$ -	5,072.09
90199	108734000	Academy Del Sol, Inc.	\$ 100,126.09	\$ -	\$ 674.12	\$ -	\$ -	15,120.03
85540	088704000	Academy of Building Industries, Inc.	\$ 18,569.71	\$ -	\$ -	\$ -	\$ -	2,785.46
90878	078242000	Academy of Mathematics and Science South, I	\$ 956,962.54	\$ -	\$ 6,217.21	\$ -	\$ -	144,476.96
79961	108713000	Academy of Mathematics and Science, Inc.	\$ 116,128.55	\$ -	\$ 620.30	\$ -	\$ -	17,512.33
92768	078270000	Academy of Mathematics and Science, Inc.	\$ 165,808.86	\$ -	\$ 2,389.30	\$ -	\$ -	25,229.72
78897	108665000	Academy of Tucson, Inc.	\$ 68,737.75	\$ -	\$ 1,048.44	\$ -	\$ -	10,467.93
79213	078794000	Academy with Community Partners Inc	\$ 28,389.70	\$ -	\$ -	\$ -	\$ -	4,258.46
4325	078701000	Acclaim Charter School	\$ 45,780.38	\$ -	\$ 422.44	\$ -	\$ -	6,930.42
79437	138760000	Acorn Montessori Charter School	\$ 66,636.32	\$ -	\$ 1,574.97	\$ -	\$ -	10,231.69
4289	070516000	Agua Fria Union High School District	\$ 1,378,889.78	\$ 16,926.88	\$ -	\$ -	\$ -	206,833.47
4249	070363000	Aguila Elementary District	\$ 31,388.43	\$ -	\$ 351.07	\$ -	\$ -	4,760.93
79053	078793000	AIBT Non-Profit Charter High School - Phoenix	\$ 10,605.30	\$ -	\$ -	\$ -	\$ -	1,590.80
449790	078286000	AIBT Non-Profit Charter High School, Inc.	\$ 1,642.59	\$ -	\$ -	\$ -	\$ -	246.39
4409	100215000	Ajo Unified District	\$ 74,299.61	\$ -	\$ 1,556.17	\$ -	\$ -	11,378.37
5978	118705000	Akimel O Otham Pee Posh Charter School, Inc.	\$ 6,988.77	\$ -	\$ 1,507.25	\$ -	\$ -	1,274.40
78966	118706000	Akimel O'Otham Pee Posh Charter School, Inc.	\$ 6,066.79	\$ -	\$ -	\$ -	\$ -	910.02
4280	070468000	Alhambra Elementary District	\$ 2,158,772.82	\$ 13,927.57	\$ 58,613.62	\$ -	\$ -	332,607.97
4161	010307000	Alpine Elementary District	\$ 10,486.80	\$ -	\$ 496.27	\$ -	\$ -	1,647.46
4418	100351000	Altar Valley Elementary District	\$ 194,136.46	\$ -	\$ 3,314.25	\$ -	\$ -	29,617.61
80995	108794000	American Charter Schools Foundation d.b.a. A	\$ 90,078.71	\$ -	\$ -	\$ -	\$ -	13,511.81
79883	118703000	American Charter Schools Foundation d.b.a. A	\$ 32,105.91	\$ -	\$ -	\$ -	\$ -	4,815.89
79874	078950000	American Charter Schools Foundation d.b.a. C	\$ 52,568.77	\$ -	\$ -	\$ -	\$ -	7,885.32

# PROPORTIONATE SHARE CALCULATIONS

Proportionate Share 2024		Updated 2/7/2023									
Fiscal Year	Entity ID	CTDS	Entity Name	Parentally-Placed Private School Student (PPPS) Count (K-12)	PPPS SPED Eligible K-12	PPPS SPED Eligible K	SPED Enrolled students (3-21 years old)	SPED enrolled students (3-5 years old)	Proportionate Share for Section 611 (K-12, ages 3-21)	Proportionate Share for Section 619 (Kindergarten, ages 3-5)	
2023	4289	070516000	Agua Fria Union High School District	355	13	0	1046	0	1.23%	0.00%	
2023	4249	070363000	AgUILa Elementary District	3	0	0	17	1	0.00%	0.00%	
2023	4280	070468000	Alhambra Elementary District	374	8	0	1232	180	0.65%	0.00%	
2023	4406	100210000	Amphitheater Unified District	1559	13	2	2200	167	0.59%	1.18%	
2023	4443	110243000	Apache Junction Unified District	230	17	0	554	77	2.98%	0.00%	
2023	4471	130231000	Ash Fork Joint Unified District	28	4	4	46	0	8.00%	100.00%	
2023	4272	070444000	Avondale Elementary District	888	73	7	858	100	7.84%	6.54%	
2023	4268	070431000	Balsz Elementary District	414	9	0	301	50	2.90%	0.00%	
2023	4481	130326000	Beaver Creek Elementary District	35	0	0	89	13	0.00%	0.00%	
2023	79226	020209000	Benson Unified School District	66	0	0	221	23	0.00%	0.00%	
2023	4169	020202000	Bisbee Unified District	58	1	0	55	1	1.79%	0.00%	
2023	4397	090232000	Blue Ridge Unified School District No. 32	224	1	0	225	28	0.44%	0.00%	
2023	4269	070433000	Buckeye Elementary District	109	15	0	939	155	1.57%	0.00%	
2023	4284	070501000	Buckeye Union High School District	218	0	0	718	0	0.00%	0.00%	
2023	4378	080415000	Bullhead City School District	84	1	0	343	53	0.29%	0.00%	
2023	4470	130228000	Camp Verde Unified District	302	5	1	223	20	2.19%	4.76%	
2023	4484	130350000	Canon Elementary District	1	1	0	26	0	3.70%	0.00%	
2023	4282	070483000	Cartwright Elementary District	536	18	0	1529	224	1.16%	0.00%	
2023	4446	110404000	Casa Grande Elementary District	574	16	6	1032	157	1.53%	3.68%	
2023	4410	100216000	Catalina Foothills Unified District	301	6	0	471	36	1.26%	0.00%	
2023	4244	070293000	Cave Creek Unified District	1054	14	0	713	42	1.93%	0.00%	
2023	4242	070280000	Chandler Unified District #80	2859	53	0	5138	514	1.02%	0.00%	
2023	4474	130251000	Chino Valley Unified District	351	0	0	481	74	0.00%	0.00%	
2023	4486	130403000	Clarkdale-Jerome Elementary District	52	0	0	34	2	0.00%	0.00%	
2023	4370	080214000	Colorado City Unified District	191	15	0	215	98	6.52%	0.00%	
2023	4381	080502000	Colorado River Union High School District	13	0	0	225	0	0.00%	0.00%	
2023	4160	010306000	Concho Elementary District	1	1	1	47	2	2.08%	33.33%	
2023	4479	130317000	Congress Elementary District	21	1	0	28	2	3.45%	0.00%	
2023	4416	100339000	Continental Elementary District	92	1	1	118	14	0.84%	6.67%	
2023	4442	110221000	Coolidge Unified District	132	2	0	353	37	0.56%	0.00%	
2023	4487	130406000	Cottonwood-Oak Creek Elementary District	261	14	6	273	40	4.88%	13.04%	

# ALLOWABLE COSTS UNDER THE IDEA GUIDE



## Allowable Costs for IDEA Entitlement Grants

Expenditure Guidelines for IDEA Funds  
(Revised January 2023)

Visit the [ESS Program Management web page](#) to download the materials from recent webinars.

Allowable Costs Under the IDEA

[Allowable Costs PowerPoint Presentation](#)

[Allowable Costs Under the IDEA guide](#)

[Allowable Costs Video](#)

FY24 IDEA Part B Funding Applications

[FY24 IDEA Funding Application](#)

[PowerPoint Presentation](#)

[Budget Planning Tool](#)

[FY24 IDEA Video](#)

# HOW DOES A SPED DIRECTOR PLAN A BUDGET?

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- Work closely with your Business Manager
- Know your MOE Compliance spending amounts
- Evaluate your needs for staff, services, and supplies/equipment
- Determine which funding source may be used to pay for a given cost
- Consider additional funding sources
  - Desegregation funds
  - Impact Aid
  - Medicaid School-Based Claims
  - Additional Federal Grants (COVID-19 Relief Funds)
  - ESS Claims (High-Cost Child)



# BUDGET PLANNING TOOL

2023-2024 Budget	PEA Name	Expiration of funds	What PEA currently has budgeted (03/01/2023)	
	Amount for FY24			
State M&O Budget	\$ 2,985,000.00	6/30/2024	\$ 2,985,000.00	State & Local funds that must be spent to maintain MOE Compliance
Section 611 FY23 Carryover		9/30/2024		Carryover must be spent by 9/30/24 or it will be forfeited to US Department of Education
Section 619 FY23 Carryover		9/30/2024		Carryover must be spent by 9/30/24 or it will be forfeited to US Department of Education
Section 611 FY24	\$ 1,043,402.10	9/30/2025		normal IDEA activities, 100% of this grant can roll over to FY25
Section 619 FY24	\$ 12,435.41	9/30/2025		normal IDEA activities, 100% of this grant can roll over to FY25
Total Available to Spend	\$ 4,040,837.51		\$ 2,985,000.00	
Federal Dollars	\$ 1,055,837.51		\$ -	
Section 611 (Basic) ages 3-21	\$ 1,043,402.10		\$ -	
Section 619 (Preschool) ages 3-5, including Kindergarten	\$ 12,435.41		\$ -	

# FY24 IDEA PART B CONSOLIDATED IMPORTANT DATES

Month	Activity
March 2023	1: FY24 preliminary allocations posted to ESS website; Self-Assessment and General Statement of Assurance due
May 2023	1: Grants Management deadline for FY24 applications
July 2023	1: FY24 project period begins 15: FY24 adopted budgets due to School Finance 18: IDEA Maintenance of Effort (MOE) Eligibility opens; ESS program specialists approve IDEA funding applications
August 2023	15: IDEA MOE Eligibility closes
October 2023	1: October Data Collection captured by PEAS and submitted to ESS Data Management
November 2023	Fall allocation adjustment (full award)
February 2024	Spring allocation adjustment (new/expanding charter requests)
September 2024	30: Project period ends
December 2024	30: Completion Reports must be approved by GM team

# PROGRAMMATIC REVIEW OF GRANTS

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ESS Program Management specialists review IDEA funding applications

- MOE Eligibility tested on July 18
- GSA and IDEA Statement of Assurances, due March 1 and July 3 respectively
- All funding application sections complete
- Proportionate Share and CCEIS obligations are fulfilled
- Budget narratives are allowable and coding follows USFR/USFRCS
- Capital Outlay Worksheets are required for specific codes
- Districts = 6731–6739
- Charters = 0190 for items greater than \$5,000 unit price

## SUBSTANTIAL APPROVAL

Substantial Approval Date: Once a Funding Application is approved by ADE, the applying organization is then able to obligate funds as of the date on which the funding application was submitted in a substantially approvable form.

Substantial Approval: Acceptable submitted status of a Funding Application to ADE for approval. ADE reserves the right to determine the qualifying characteristics of Substantial Approval.

ADE/ESS is unable to grant substantial approval dates until after the PEA has been tested for Maintenance of Effort (MOE) Eligibility.

If the PEA passes MOE Eligibility, the Substantial Approval Date reverts to the beginning of the project period if the grant was approvable prior to 7/1/2023.

If the PEA fails MOE Eligibility, the funding application will be returned and the PEA will be unable to resubmit until the MOE case is resolved.

- ✓ Approvable Budget
- ✓ GSA
- ✓ IDEA Statement of Assurances
- ✓ MOE Eligibility Test - Pass

# Sections to Complete

Application Status: Not Started

Change Status To: **Draft Started**

Only the LEA Business Manager can initiate a funding application.

[-]	Section 611 - Subgrants to LEAs
	<b>Budget</b>
	<a href="#">Budget Overview</a>
	<a href="#">Budget Overview Plus/Minus</a>
	<b>FFATA &amp; GSA Verification</b>
	<a href="#">Program Information / Instruction</a> ←
	<b>Program Narrative Questions</b>
	<b>Assurances</b>
	<a href="#">Capital Outlay Worksheet</a>
	<a href="#">Related Documents</a>
[-]	Section 619 - Preschool Subgrants to LEAs
	<b>Budget</b>
	<a href="#">Budget Overview</a>
	<a href="#">Budget Overview Plus/Minus</a>
	<b>FFATA &amp; GSA Verification</b>
	<a href="#">Program Information / Instruction</a> ←
	<b>Program Narrative Questions</b>
	<a href="#">Capital Outlay Worksheet</a>
	<a href="#">Related Documents</a>
[-]	Substantially Approved Dates
	<a href="#">Substantially Approved Dates</a>
	<a href="#">Substantial Approval Guidance</a>
[-]	IDEA Part B Consolidated Checklist
	<a href="#">IDEA Part B Consolidated Checklist</a>
	All

For each grant, PEAs must complete the Budget, FFATA & GSA Verification, and Program Narratives section.

Section 611 Assurances must also be completed.

Register for upcoming GME webinars.

**Thursday, 2/16/23 (12:00pm - 12:30pm)** - Indirect Cost Lunch-n-Learn

**Thursday, 2/23/23 (10:00am - 11:00am)** - GME Navigation Basics Webinar

## March

**Wednesday, 3/1/23 (9:00am - 10:00am)** - Funding Application Webinar (overview)

**Thursday, 3/2/23 (1:00pm - 2:00pm)** - User Roles and User Access + ADE Helpdesk Webinar

**Wednesday, 3/29/23 (12:00pm - 12:30pm)** - User Roles Lunch-n-Learn

## Types of Budget Requests in IDEA Grants

### Typical IDEA Activities

- Personnel and Contracted Vendors
- Supplies and Equipment
- Professional Development
- Other Costs

### Specialized IDEA Activities

- Coordinated Early Intervening Services: IDEA funds may be used to pay for intervention strategies for non-disabled students.
- Proportionate Share: IDEA funds are used to serve students with disabilities who have been parentally-placed in a non-profit private school or homeschool

# BUDGET NARRATIVES

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- Specificity is important, but don't share Personally Identifiable Information (PII)
- Remember requirements of coding according to USFR/USFRCS
- Educator IDs must be updated before your reimbursement request in that function/object code
- The budget narrative should stand alone; all information relevant to the request should appear in the budget narrative, not just the Capital Outlay Worksheet
- Revise your grant application as your scope of work changes

## BUDGET NARRATIVES (CONTINUED)

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- Explicit definition on the audience for supplies, materials, and programs in general classrooms for students with disabilities (ex. Special Education Students in a preschool classroom)
- Training and travel costs for either special education staff members to attend professional development **or** general education staff for when it is professional development specifically in special education



# FLOWCHART FOR PROGRAMMATIC REVIEW AND SUBSTANTIAL APPROVAL DATE

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- PEA submits funding application
- Programmatic review completed by ESS Specialists; funding applications are returned for edits as needed
- MOE Eligibility testing window begins on 7/18/2023

\*Pass MOE

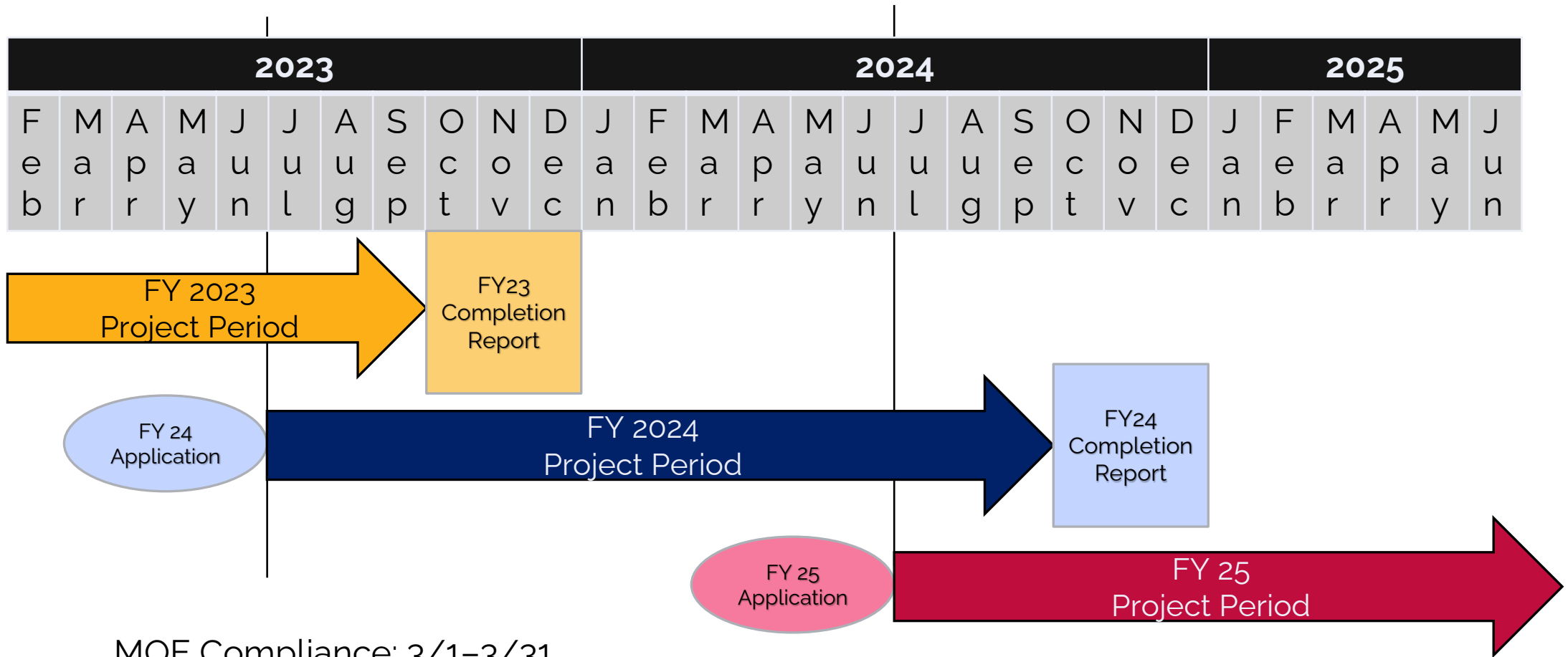
\*Fail MOE

\*Return funding application until MOE case is resolved

- Program Specialist Approved, substantial approval date established from last LEA Authorized Representative Date
  - SEA Director Approved
- PEA may obligate funds, submit reimbursement requests, and revise funding application as needed



# TIMELINE OF IDEA GRANTS



MOE Compliance: 3/1–3/31

MOE Eligibility: 7/18–8/15

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AVAILABLE FUNDING FOR FISCAL YEAR 2023

## AVOIDING EXPIRING FUNDS FOR FY23 IDEA AND ARP-IDEA

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- Once a Completion Report is approved by ADE Grants Management, unspent FY22 funds become available in the current year's funding application as incoming carryover.

<b>Grant Name</b>	<b>Amount Unpaid</b>	<b>Percentage Unpaid</b>
2022 IDEA Basic	\$43,609,080	20.64%
2022 IDEA Preschool	\$1,571,791	33.64%
2022 ARP-IDEA Basic	\$30,081,449	66.08%
2022 ARP-IDEA Preschool	\$1,974,851	67.13%

## PLANNING FOR REIMBURSEMENT REQUESTS

<b>Percentage of Allocation Paid Out</b>	<b>Q1 7/1/22– 9/30/22</b>	<b>Q2 10/1/22– 12/31/22</b>	<b>Q3 1/1/23– 3/31/23</b>	<b>Q4 4/1/23– 6/30/23</b>	<b>Q5 7/1/23– 9/30/23</b>
12-month fiscal period	25%	50%	75%	100%	n/a
15-month fiscal period	20%	40%	60%	80%	100%

IDEA grant funds operate on a 15-month project period, with 12-month carryover, for a total of 27 months for obligation. IDEA grant funds must be liquidated (through CR process) 120 days after the expiration of the funds.

If you have carryover from your 2022 IDEA grants, you must ensure that the carryover amount is fully drawn down by 9/30/2023 to prevent any funds from expiring and being returned to U.S. ED.

## CURRENT PERCENTAGES PAID ON 2023 IDEA AND ARP-IDEA GRANTS

Allocation	Amount Paid	Percentage paid as of 2/13
ARP-IDEA Basic	\$2,293,930	8%
ARP-IDEA Preschool	\$148,940	7%
IDEA Basic	\$77,045,193	30%
IDEA Preschool	\$1,275,716	21%
2022 IDEA Basic	\$21,993,568	41%
2022 IDEA Preschool	\$398,544	23%
Year to date goal	(no data)	50-60%

# FUNDING SOURCE DATA IN PROJECT SUMMARY

Funding Sources				
Grant - Award Year	IDEA Basic - 2023	IDEA Basic - 2022	IDEA Basic - 2021	Total
Award Number	H027A210007	H027A210007	H027A200007	
Award Date	07/01/2022 - 09/30/2024	07/01/2021 - 09/30/2023	07/01/2020 - 09/30/2022	
Original	\$4,186,918.22	\$0.00	\$0.00	\$4,186,918.22
Incoming Carryover	\$0.00	\$2,003,907.65	\$0.00	\$2,003,907.65
Outgoing Carryover	\$0.00	\$0.00	\$0.00	\$0.00
Reallocated	\$0.00	\$0.00	\$0.00	\$0.00
Additional	\$0.00	\$0.00	\$0.00	\$0.00
Incoming Interest Carryover	\$0.00	\$0.00	\$0.00	\$0.00
Released	\$0.00	\$0.00	\$0.00	\$0.00
Consortium	\$0.00	\$0.00	\$0.00	\$0.00
Forfeited	\$0.00	\$0.00	\$0.00	\$0.00
CR Released	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total Allocation</b>	\$4,186,918.22	\$2,003,907.65	\$0.00	\$6,190,825.87

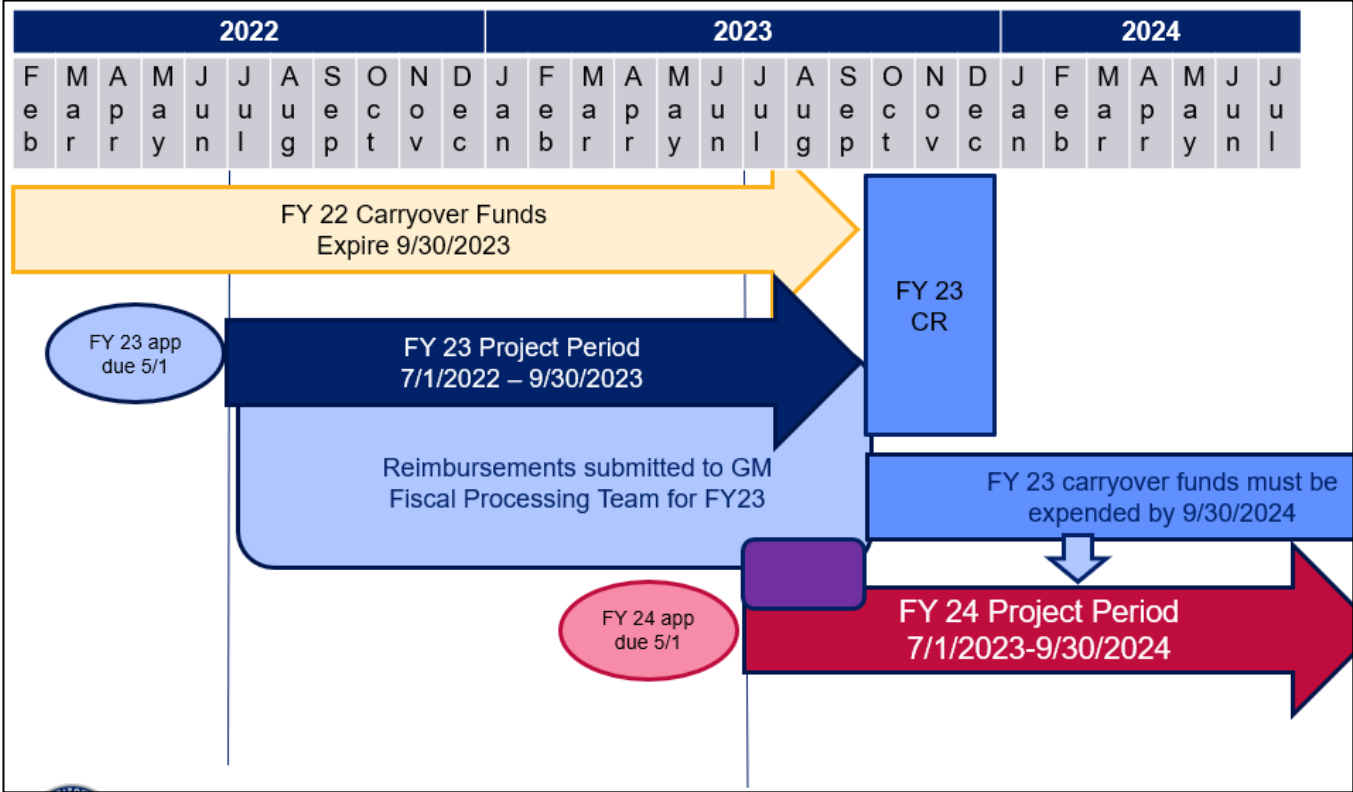
## Reimbursement Requests



2023 ▾ IDEA Consolidated - Entitlement ▾

Grant	Available Budget	Total Available Amount	Received Amount	Net Available Amount
IDEA - Basic	\$6,190,825.87	\$6,190,825.87	\$0.00	\$6,190,825.87
IDEA - Preschool Grant	\$93,833.14	\$93,833.14	\$0.00	\$93,833.14

# LIFE CYCLE OF FY23 GRANT





## HIGH-COST CHILD AND EXTRAORDINARY SPECIAL EDUCATION NEEDS CLAIMS

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- A school district or charter school is eligible to apply for an ESS Claim if it demonstrates that a student receiving special education services has incurred costs in the current year that are equal to or greater than three times the per-pupil funding average.
- A student whose costs exceed \$27,294 per year would meet the minimum threshold to be considered for HCC or ESEN funding.
- \$151.63 per day for 180-day calendar, approximately \$2,729 per month.

## PURPOSE OF HIGH-COST CHILD CLAIMS

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The Individuals with Disabilities Education Act (IDEA) allows states to use 10% of their Part B funds reserved for state-level activities to establish and make disbursements from a high-cost fund to public education agencies (PEA) for students meeting the criteria of high-risk.

ADE/ESS has determined that any student with disabilities whose costs exceed three times the per pupil average is eligible for High-Cost funding, \$27,294 annually.

Daily Rate	Calendar Days
\$151.63	180 days
\$181.54	144 days
\$136.47	200 days
\$108.31	252 days

# HIGH-COST CHILD SUBMISSION DEADLINES

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Round for Funding Approval	Submission Deadline
3 <sup>rd</sup>	March 31, 2023
4 <sup>th</sup>	May 26, 2023

- The HCC Claims are competitive funding applications.
- PEAs shall not exceed \$100,000 for claims approved using IDEA Set-Aside funds.
- PEAs should submit no more than 6 HCC claims in a fiscal year.

# ESEN SUBMISSION DEADLINES

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Round for Funding Approval	Submission Deadline
3 <sup>rd</sup>	February 24, 2023
4 <sup>th</sup>	May 26, 2023

- The ESEN funds are competitive funding applications.
- PEAs may be approved for up to four claims in each of the rounds of funding approval.
- PEAs shall not exceed \$250,000 for total claims approved using State ESEN funds.

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# MAINTENANCE OF EFFORT COMPLIANCE TEST

# WHAT IS PUBLIC EDUCATION AGENCY MAINTENANCE OF EFFORT?

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The local maintenance of effort (MOE) requirement obligates any public education agency (PEA) 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 a year-to-year basis. The required MOE levels for budgeting and spending are referred to, respectively, as the “eligibility standard” and the “compliance standard.”

Eligibility standard = required MOE levels for budgeting

Compliance standard = required MOE levels for spending

CIFR Quick Reference Guide

## WHY IS PEA MAINTENANCE OF EFFORT IMPORTANT?

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- The intent behind the PEA MOE requirement is to help ensure that the PEA is expending at least a certain level of non-federal funds for the education of students with disabilities.
  - The United States Department of Education ensures that the ADE meets the requirements on Maintenance of State Financial Support (MFS)
  - ADE ensures that PEAs maintain levels of fiscal support through the MOE tests, twice a year
- The PEA MOE tests ensure that federal funds are used to **supplement, not supplant**, local fiscal efforts

## WHAT ARE THE CONSEQUENCES FOR FAILING TO MEET THE MOE STANDARDS?

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- If a PEA fails to meet the MOE eligibility (i.e., budget) standard, it may not receive IDEA Part B funds.
  - This prevents the PEA's IDEA Consolidated-Entitlement funding application from receiving substantial approval at the beginning of the project period in July.
- If a PEA fails to meet the MOE compliance (i.e., expenditure) standard, the ADE must repay the U.S. Department of Education.
  - The amount owed is the difference between what the PEA actually spent and what it should have spent to meet the MOE requirement or the amount that the PEA received from Part B funds for that fiscal year, whichever is lower.
  - The ADE can require the PEA to submit payment or can opt to cover the penalty itself.

34 CFR § 300.203 (d)



# HOW IS MOE CALCULATED IN ARIZONA?

IDEA Fund Compliance Test

Fiscal Year: 2022  
 Entity ID: [REDACTED]  
 LEA (CTDS): [REDACTED]  
 Status: Closed (Met)  
 Exception Year: 2021

	Overall	Method 1 Local Cost	Method 2 2020 State and Local Cost	Method 3 Local Per Capita Cost	Method 4 2018 State and Local Per Capita Cost
2021 Amount		N/A	\$3,132,332.00	N/A	\$10,421.75
Comparison Year Amount		N/A	\$3,002,542.00	N/A	\$10,278.16
Difference		N/A	\$129,790.00	N/A	\$143.59
2021 SPED Count				N/A	x 300.5571
Total Difference		N/A	\$129,790.00	N/A	\$43,157.32
Status	Met	N/A	Met	N/A	Met

Method 1: Local Only  
 Method 2: State and local funds combined  
 Method 3: Local only on a per capita basis  
 Method 4: State and local funds combined on a per capita basis

In order to meet the MOE compliance requirement in this fiscal year, the PEA must expend at least the same total or per capita amount of local funds or state and local funds, compared to the most recent year for which information is available.

# METHOD 2: STATE AND LOCAL AGGREGATE

## IDEA Fund Compliance Method 2

Fiscal Year: 2022

Entity ID: [REDACTED]

LEA (CTDS): [REDACTED]

Status: Closed (Met)

Exception Year: 2021

Method 2: Current Year State and Local Actual Amounts Compared to Actual Expenditures for the Last Year Compliance Method 2 is available.

Fiscal Year	State and Local Cost
2021	\$3,132,332.00
2020	\$3,002,542.00
Difference	\$129,790.00
Status	Met

Difference must be \$0.00 or greater to have met this MOE Test

# METHOD 4: STATE AND LOCAL PER CAPITA

## IDEA Fund Compliance Method 4

Fiscal Year: 2022

Entity ID: [REDACTED]

LEA (CTDS): [REDACTED]

Status: Closed (Met)

Exception Year: 2021

Method 4: Current Year State and Local Actual Amounts Per Capita Compared to the Per Capita Amounts from the Last Year Compliance Method 4 is available.

Fiscal Year	State and Local Cost	SPED Count	State and Local Per Capita Cost
2021	\$3,132,332.00	300,5571	\$10,421.75
2018	\$2,763,729.00	268,8933	\$10,278.16
Difference			\$143.59
Status			Met

Difference must be \$0.00 or greater to have met this MOE Test

# WHERE DO VALUES FOR STATE AND LOCAL FUNDS COME FROM?

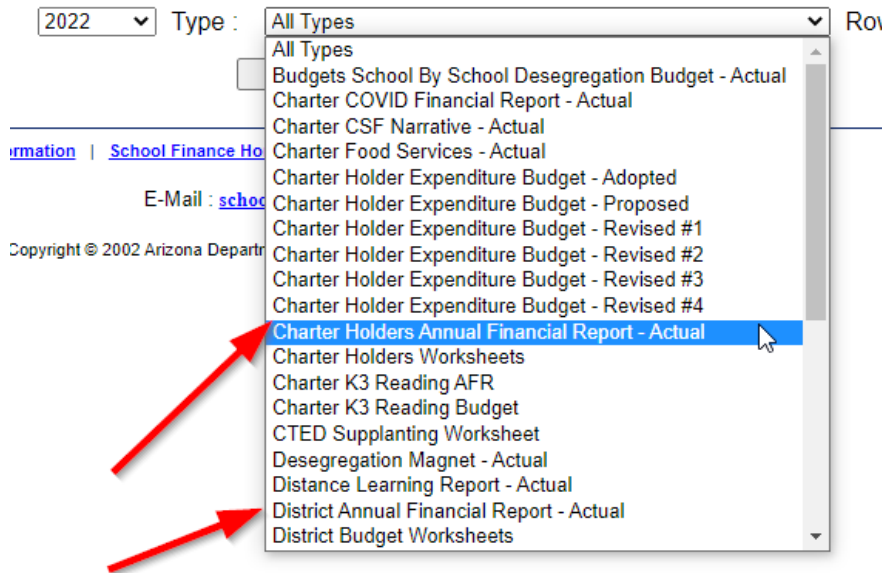
## Information and Financial Services Budget Submitted File Status

Submitted File Status	Summary Status
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[Display](#)

2022 Type :  Rev

- All Types
- Budgets School By School Desegregation Budget - Actual
- Charter COVID Financial Report - Actual
- Charter CSF Narrative - Actual
- Charter Food Services - Actual
- Charter Holder Expenditure Budget - Adopted
- Charter Holder Expenditure Budget - Proposed
- Charter Holder Expenditure Budget - Revised #1
- Charter Holder Expenditure Budget - Revised #2
- Charter Holder Expenditure Budget - Revised #3
- Charter Holder Expenditure Budget - Revised #4
- Charter Holders Annual Financial Report - Actual**
- Charter Holders Worksheets
- Charter K3 Reading AFR
- Charter K3 Reading Budget
- CTED Supplanting Worksheet
- Desegregation Magnet - Actual
- Distance Learning Report - Actual
- District Annual Financial Report - Actual
- District Budget Worksheets



The most recent District Annual Financial Report – Actual or Charter Holders Annual Financial Report – Actual

For districts, ESS sums the total reported in M&O spending for All Disability Classifications (line 1) and IEP-Required transportation (line 10) on page 8 of the AFR.

For charters, ESS sums the total reported in M&O spending for All Disability Classifications (line 1) and IEP-Required transportation (line 9) on page 7 of the AFR.

These values are compared against the values reported on page 2 (M&O).

If there is a discrepancy between page 2 and page 7 or 8, ESS cannot perform the MOE test.

# DISTRICT ANNUAL FINANCIAL REPORT PAGES

## B. M&O SPECIAL EDUCATION PROGRAMS BY TYPE

(A.R.S. § 15-761)	PROGRAM 200 & 300 BUDGET	PROGRAM 200 & 300 ACTUAL	
1. Total All Disability Classifications	7,523,673	6,645,060	1.
2. Gifted Education	85,000	34,653	2.
3. Remedial Education	0	0	3.
4. ELL Incremental Costs	7,500	1,378	4.
5. ELL Compensatory Instruction	0	0	5.
6. Vocational and Technological Education (non-CTED)	99,444	0	6.
7. Career Education	0	0	7.
8. Career Technical Education (CTED programs in 300 range)	0	99,425	8.
9. Total (lines 1-8)	7,715,617	6,780,516	9.
10. IEP required pupil transportation costs coded within Program 400	191,028	195,864	10.

District AFR compares pages 2 and 8.

The value on page 2, line 24 subtotal should be equal to the value on page 8, line 9 to reflect all M&O spending from special education programs.

The MOE calculation sums lines 1 and 10 on page 8.

MAINTENANCE AND OPERATION FUND (001)—EXPENDITURES										
Expenditures		Salaries 6100	Employee Benefits 6200	Purchased Services 6300, 6400, 6500	Supplies 6600	Other 6800	Totals			% Increase/ Decrease in Actual
							Budget	Actual	Prior Year Actual	
<b>200 and 300 Special Education</b>										
1000 Instruction	15.	2,303,775	786,367	1,288,851	2,323	0	5,079,650	4,381,316	4,571,537	-4.2%
2000 Support Services										
2100 Students	16.	1,392,330	416,503	195,749	6,122	9,381	2,338,763	2,020,085	2,250,218	-10.2%
2200 Instructional Staff	17.	291,743	78,027	3,424	622	0	285,123	373,816	291,069	28.4%
2300 General Administration	18.	0	0	0	0	0	0	0	0	0.0%
2400 School Administration	19.	0	0	0	0	0	6,081	0	0	0.0%
2500 Central Services	20.	0	0	5,134	0	0	6,000	5,134	4,085	25.7%
2600 Operation & Maintenance of Plant	21.	0	0	165	0	0	0	165	0	--
2900 Other	22.	0	0	0	0	0	0	0	0	0.0%
3000 Operation of Noninstructional Services	23.	0	0	0	0	0	0	0	0	0.0%
Subtotal (lines 15-23)	24.	3,987,848	1,280,897	1,493,323	9,067	9,381	7,715,617	6,780,516	7,116,909	-4.7%
<b>400 Pupil Transportation</b>	25.	1,400,541	553,950	246,748	531,354	922	2,613,163	2,733,515	2,775,632	-1.5%



## PREPARATION FOR MOE COMPLIANCE TESTING WINDOW

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- PEAs at risk of failing to meet MOE Compliance standards will be contacted by ESS Program Management during the month of February
- PEAs must validate that the amounts reported on page 7 or 8 reflect only M&O expenses, no federal funds
- PEAs must reconcile any discrepancies between the amounts reported on page 2 and 7/8
- If necessary, a revision of the AFR should be uploaded to ADE School Finance
- Determine if the decrease in M&O spending is considered an allowable exception to Maintenance of Effort

# 34 CFR § 300.24 - Exception to Maintenance of Effort

## **§ 300.204 Exception to maintenance of effort.**

Notwithstanding the restriction in [§ 300.203\(b\)](#), an LEA may reduce the level of expenditures by the LEA under Part B of the [Act](#) below the level of those expenditures for the preceding fiscal year if the reduction is attributable to any of the following:

- (a) The voluntary departure, by retirement or otherwise, or departure for just cause, of special education or related services personnel.
- (b) A decrease in the enrollment of children with disabilities.
- (c) 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 -
  - (1) Has left the jurisdiction of the agency;
  - (2) Has reached the age at which the obligation of the agency to provide FAPE to the child has terminated; or
  - (3) 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.
- (e) The assumption of cost by the high cost fund operated by the SEA under [§ 300.704\(c\)](#).

(Approved by the Office of Management and Budget under control number 1820-0600)

(Authority: [20 U.S.C. 1413\(a\)\(2\)\(B\)](#))

[[71 FR 46753](#), Aug. 14, 2006, as amended at [80 FR 23667](#), Apr. 28, 2015]

Every PEA in the state is eligible to submit exceptions in the MOE application to justify the decrease spending/budgeting levels.

Only those exceptions submitted during the MOE Compliance test can change the thresholds for future compliance and eligibility tests. If a PEA submitted exceptions in the FY23 MOE Eligibility test, it should submit those same exceptions in the FY23 MOE Compliance test to lock in the reduced spending threshold.

- A. Special Education Staff Departures
- B. Decrease in SPED Enrollment
- C. Termination of Obligations
- D. Termination of Costly Long-Term Purchases
- E. The Assumption of Cost by the High Cost Fund Operated by the SEA
- F. Allowable Adjustment to Local Fiscal Efforts



# HOW DO EXCEPTIONS GET APPLIED IN THE MOE TEST?

## Compliance Summary of Exceptions/Reductions Applied

Fiscal Year: 2022

Entity ID: [REDACTED]

LEA (CTDS): [REDACTED]

Status: Closed (Met with Exceptions)

Exception Year: 2021

Exceptions/Reductions				
Description	Exception/Reduction Amount	Total Applied Amount	Method 2 Applied (2020)	Method 4 Applied (2020)
A. Special Education Staff Departures	\$1,080,591.00	\$1,013,410.44	\$1,013,410.44	\$1,013,410.44
B. Decrease in SPED Enrollment	\$2,765,502.52	\$2,765,502.52	\$2,765,502.52	\$2,765,502.52
C. Termination of Obligations	\$0.00	\$0.00	\$0.00	\$0.00
D. Termination of Costly Long-Term Purchases	\$0.00	\$0.00	\$0.00	\$0.00
E. The Assumption of Cost by the High Cost Fund Operated by the SEA	\$0.00	\$0.00	\$0.00	\$0.00
F. Allowable Adjustment to Local Fiscal Efforts	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total Exceptions/Reductions</b>	<b>\$3,846,093.52</b>	<b>\$3,778,912.96</b>	<b>\$3,778,912.96</b>	<b>\$3,778,912.96</b>

# EXAMPLE: MET WITH EXCEPTIONS

## IDEA Fund Compliance Test

Fiscal Year: 2022

Entity ID: [REDACTED]

LEA (CTDS): [REDACTED]

Status: Closed (Met with Exceptions)

Exception Year: 2021

	Overall	Method 1 Local Cost	Method 2 2020 State and Local Cost	Method 3 Local Per Capita Cost	Method 4 2020 State and Local Per Capita Cost
2021 Amount		N/A	\$41,369,917.01	N/A	\$7,470.31
Comparison Year Amount		N/A	\$41,143,375.04	N/A	\$6,972.04
Difference		N/A	\$226,541.97	N/A	\$498.28
2021 SPED Count				N/A	x 5,537.9103
Total Difference		N/A	\$226,541.97	N/A	\$2,759,407.33
Status	<b>Met with Exceptions</b>	N/A	Met with Exceptions	N/A	Met with Exceptions

# METHOD 2: EXCEPTIONS APPLIED

## IDEA Fund Compliance Method 2

Fiscal Year: 2022

Entity ID: [REDACTED]

LEA (CTDS): [REDACTED]

Status: Closed (Met with Exceptions)

Exception Year: 2021

Method 2: Current Year State and Local Actual Amounts Compared to Actual Expenditures for the Last Year Compliance Method 2 is available.

Fiscal Year	State and Local Cost
2021	\$41,369,917.01
2020	\$44,922,288.00
Difference	(\$3,552,370.99)
2021 Exceptions	\$3,778,912.96
Adjusted Difference	\$226,541.97
Status	Met with Exceptions

Difference must be \$0.00 or greater to have met this MOE Test

# ESTABLISHING NEW MOE COMPLIANCE STANDARDS

## IF THE METHOD PASSES

The MOE Compliance standard changes to the value of the testing year data

### IDEA Fund Compliance Method 2

Fiscal Year: 2022  
 Entity ID: [REDACTED]  
 LEA (CTDS): [REDACTED]  
 Status: Closed (Met)  
 Exception Year: 2021

Method 2: Current Year State and Local Actual Amounts Compared to Actual Expenditures for the Last Year Compliance Method 2 is available.

Fiscal Year	State and Local Cost
2021	\$3,132,332.00
2020	\$3,002,542.00
Difference	\$129,790.00
Status	Met

Difference must be \$0.00 or greater to have met this MOE Test

## IF THE METHOD FAILS

The MOE compliance standard remains the comparison year value without the exceptions applied

### IDEA Fund Compliance Method 4

Fiscal Year: 2022  
 Entity ID: [REDACTED]  
 LEA (CTDS): [REDACTED]  
 Status: Closed (Not Met)  
 Exception Year: 2021

Method 4: Current Year State and Local Actual Amounts Per Capita Compared to the Per Capita Amounts from the Last Year Compliance Method 4 is available.

Fiscal Year	State and Local Cost	SPED Count	State and Local Per Capita Cost
2021	\$61,595.00	16,5953	\$3,711.59
2019	\$50,904.00	12,7015	\$4,007.72
Difference			(\$296.12)
2021 Exceptions	\$2,221.86 / 12,7015		\$174.93
Adjusted Difference			(\$121.19)
Status			Not Met

# USING THE ESS BUDGET PLANNING TOOL

State M&O Budget Value should reflect your most recent comparison year value for method 2 or method 4 as established on the FY22 IDEA Maintenance of Effort Compliance test, March 2022.				
FY22 MOE Method 2 Value:	\$ 3,721,163.00			
FY22 MOE Method 4 Value:	\$ 9,740.45	x SPED20 Count for FY22	344.8603 =	\$ 3,359,094.51
MOE Compliance Standard	\$ 3,359,094.51			
Enter this value in cell C4 and E4				

# PLANNING AVAILABLE FUNDS AND HOW TO SPEND IN FY23

2022-2023 Budget	PEA Name	Amount for FY23	Expiration of funds	What PEA currently has budgeted (03/01/2023)
State M&O Budget		\$ 3,365,000.00	6/30/2023	\$ 3,365,000.00
IDEA Basic FY22 Carryover		\$ 262,118.33	9/30/2023	
IDEA Preschool FY22 Carryover		\$ 7,566.13	9/30/2023	
ARP IDEA Basic Carryover		\$ 110,067.72	9/30/2023	
ARP IDEA Preschool Carryover		\$ 11,872.68	9/30/2023	
IDEA Basic FY23		\$ 813,013.68	9/30/2024	
IDEA Preschool FY23		\$ 22,320.29	9/30/2024	
Total Available to Spend		\$ 4,591,958.83		\$ 3,365,000.00
Federal Dollars		\$ 1,226,958.83		\$ -
Basic		\$ 1,185,199.73		\$ -
Preschool		\$ 41,759.10		\$ -

# FY23 ESS Program Management Webinar Series

## FY23 Webinar Series

Join the ESS Program Management team at the FY22 webinar series. Webinars will take place via Zoom from 11:00 a.m. to 12:00 p.m. on the 2nd Tuesday of each month (unless indicated otherwise).

March 1 – IDEA Maintenance of Effort

April 11 – Special Education Funding: How, When, and What Order to Spend

May 9 – Fiscal Year Wrap-Up

## ESS Office Hours

ESS Program Management will also host Office Hours each quarter at 1:00 p.m. PEAs are invited to attend these informal Zoom meetings to bring questions directly to their program specialist.

- February 21, 2023
- March 21, 2023
- April 18, 2023
- May 16, 2023

# CONTACT US

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ESS Program Management website:

<http://www.azed.gov/specialeducation/operations>

ESS Program Management inbox:

[essprogmgmt@azed.gov](mailto:essprogmgmt@azed.gov)

ESS Office Hours, February 21, 2023, 1:00 p.m.

IDEA Maintenance of Effort, March 1, 2023, 11:00 a.m.