



# IDEA MAINTENANCE OF EFFORT

---


March 4, 2025



ESS Program Management

# Book an Appointment with ESS Program Management

[Book time with Trainor, Candice: FY25 IDEA Maintenance of Effort Testing](#)

Choose a meeting type

 **FY25 IDEA Maintenance of Effort Testing**  
30 MIN  
Spend 30 minutes with ESS Program Management to discuss the MOE test results for your PEA. When setting up the appointment, please include your PEA...

Available times ✔ You are available  

March 2025 ↑ ↓

| S  | M  | T  | W  | T  | F  | S  |
|----|----|----|----|----|----|----|
| 23 | 24 | 25 | 26 | 27 | 28 | 1  |
| 2  | 3  | 4  | 5  | 6  | 7  | 8  |
| 9  | 10 | 11 | 12 | 13 | 14 | 15 |
| 16 | 17 | 18 | 19 | 20 | 21 | 22 |
| 23 | 24 | 25 | 26 | 27 | 28 | 29 |
| 30 | 31 | 1  | 2  | 3  | 4  | 5  |

Today

Tuesday, March 18

|                      |          |   |
|----------------------|----------|---|
| <input type="text"/> | 11:00 AM | ✔ |
| <input type="text"/> | 12:00 PM | ✔ |
| <input type="text"/> | 12:15 PM | ✔ |
| <input type="text"/> | 2:15 PM  | ✔ |
| <input type="text"/> | 2:30 PM  | ✔ |

Spend 30 minutes with ESS Program Management to discuss the MOE Compliance test results for your PEA. When setting up the appointment, please include your PEA name and CTDS number or Entity ID. Also, feel free to forward your meeting invitation to your colleagues responsible for the IDEA grants or Annual Financial Report submission.




Book FY25 IDEA Maintenance of Effort Testing ✕

Tue 3/18/2025 12:00 PM - 12:30 PM  
(UTC-07:00) Arizona

Name \*

Email \*

Notes

**Book**

# List of Terms

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- IDEA: Individuals with Disabilities Education Act
- ADE/ESS: Arizona Department of Education Exceptional Student Services
- PEA: Public Education Agency
- IDEA Part B Funds: IDEA Section 611 and Section 619 grants
- Budget: Adopted Budget due to School Finance on July 15
- AFR: Annual Financial Report due to School Finance on October 15
- Comparison Year Value: The last year the PEA passed the MOE testing method to establish compliance or eligibility standard
- Testing year: The year that the PEA is testing the Adopted Budget or AFR
- Compliance Test: Compares the PEA's spending in fiscal year against the comparison year values (AFR to AFR)
- Eligibility test: compares the PEA's Adopted Budget against the comparison year values (Budget to AFR)

# 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 for 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?

MOE Eligibility (budget) standard: the PEA may not receive IDEA Part B funds.

Failing to meet the MOE Eligibility standard will prevent the PEA's IDEA Part B funding application from receiving substantial approval at the beginning of the project period in July.

[34 CFR § 300.203 \(d\)](#)

MOE Compliance (expenditure) standard: the ADE must repay the US 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 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.

# How Is MOE Calculated in Arizona?

The PEA's expenditures, or budget, are tested against comparison year values. If the testing year data meets or exceeds the value, it will pass the testing method.

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

## Compliance Test Results

[Redacted]

Pending

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

| Item                   | Overall | Method 1<br>Local Cost | Method 2<br>2023 State and Local Cost | Method 3<br>Local Per Capita Cost | Method 4<br>2023 State and Local Per Capita Cost |
|------------------------|---------|------------------------|---------------------------------------|-----------------------------------|--|
| 2024 Amount            |         | N/A                    | \$1,235,844.00                        | N/A                               | \$6,517.25                                       |
| Comparison Year Amount |         | N/A                    | \$1,238,228.51                        | N/A                               | \$6,242.93                                       |
| Difference             |         | N/A                    | (\$2,384.51)                          | N/A                               | \$274.32   |
| 2024 SPED Count        |         |                        |                                       | N/A                               | x 189.6267                                       |
| Total Difference       |         | N/A                    | (\$2,384.51)                          | N/A                               | \$52,017.64                                      |
| Status                 | Met     | N/A                    | Not Met                               | N/A                               | Met  |

[Back](#) [Continue](#)

# Method 2: State and Local Aggregate

## IDEA Fund Compliance Method 2

[Redacted]

Pending

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 |
|-------------|----------------------|
| 2024        | \$1,235,844.00       |
| 2023        | \$1,238,228.51       |
| Difference  | (\$2,384.51)         |
| Status      | Not Met              |

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

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# Method 4: State and Local Per Capita

## IDEA Fund Compliance Method 4

[Redacted]

Pending

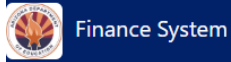
Method 4: Current Year State and Local Actual Amounts Per Capita Compared to the Per Capita Amounts from the Last Year Compliance Method 4 is available.

| Fiscal Year | State and Local Cost | SPED Count | State and Local Per Capita Cost |
|-------------|----------------------|------------|---------------------------------|
| 2024        | \$1,235,844.00       | 189.6267   | \$6,517.25                      |
| 2023        | \$1,238,228.51       | 198.3409   | \$6,242.93                      |
| Difference  |                      |            | \$274.32                        |
| Status      |                      |            | Met                             |

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

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# Where Do Values for State and Local Funds Come From?

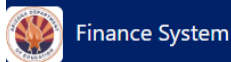


## File Submission Status Report

**Search Filters**

|                                 |                                  |
|---------------------------------|----------------------------------|
| Fiscal Year*                    | LEA Type*                        |
| 2024                            | All                              |
| EdOrg Name/CTDS/EdOrg ID        | Document Template Name           |
| Select EdOrg Name/CTDS/EdOrg Id | District Annual Financial Report |

[Update Submission Status Details](#) [Reset Filters](#)



## File Submission Status Report

**Search Filters**

|                                 |   |
|---------------------------------|---|
| Fiscal Year*                    | LEA Type*                               |
| 2024                            | All                                     |
| EdOrg Name/CTDS/EdOrg ID        | Document Template Name                  |
| Select EdOrg Name/CTDS/EdOrg Id | Charter Holders Annual Financial Report |

[Update Submission Status Details](#) [Reset Filters](#)

The MOE Compliance test pulls data from the most recent District Annual Financial Report or Charter Holders Annual Financial Report.

ESS sums the total reported in M&O spending for All Disability Classifications (line 1) and IEP-Required Transportation (line 9 or 10) on page 8 of the AFR for school districts and page 7 for charter schools.

These values are compared against the values 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 AFR Values

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 the special education program.

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

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

(A.R.S. § 15-761)

|  | PROGRAM<br>200 & 300<br>BUDGET | PROGRAM<br>200 & 300<br>ACTUAL |     |
|--|--------------------------------|--------------------------------|-----|
| 1. Total All Disability Classifications                              | 6,540,300                      | 6,033,776                      | 1.  |
| 2. Gifted Education  | 675,000                        | 654,312                        | 2.  |
| 3. Remedial Education  | 0                              | 0                              | 3.  |
| 4. ELL Incremental Costs   | 499,000                        | 456,271                        | 4.  |
| 5. ELL Compensatory Instruction                                      | 0                              | 0                              | 5.  |
| 6. Vocational and Technological Education (non-CTED)                 | 0                              | 0                              | 6.  |
| 7. Career Education  | 0                              | 0                              | 7.  |
| 8. Career Technical Education (CTED programs in 300 range)           | 0                              | 0                              | 8.  |
| 9. Total (lines 1-8)   | 7,714,300                      | 7,144,359                      | 9.  |
| 10. IEP required pupil transportation costs coded within Program 400 | 328,000                        | 456,397                        | 10. |

## MAINTENANCE AND OPERATION FUND (001)—EXPENDITURES

| Expenditures                                |     | Salaries<br>6100 | Employee<br>Benefits<br>6200 | Purchased Services<br>6300, 6400,<br>6500 | Supplies<br>6,600 | Other<br>6,800 | Totals    |           |                   | % Increase/<br>Decrease in<br>Actual |
|---|-----|------------------|------------------------------|---|-------------------|----------------|-----------|-----------|-------------------|--------------------------------------|
|   |     |                  |                              |   |                   |                | Budget    | Actual    | Prior Year Actual |                                      |
| <b>200 and 300 Special Education</b>        |     |                  |                              |   |                   |                |           |           |                   |                                      |
| 1000 Instruction                            | 15. | 2,668,378        | 972,238                      | 415,674                                   | 20,224            | 0              | 4,625,500 | 4,076,514 | 4,305,323         | -5.3%                                |
| 2000 Support Services                       |     |                  |                              |   |                   |                |           |           |                   |                                      |
| 2100 Students                               | 16. | 1,616,202        | 561,430                      | 367,450                                   | 36,897            | 1,050          | 2,547,000 | 2,583,029 | 2,351,592         | 9.8%                                 |
| 2200 Instructional Staff                    | 17. | 344,356          | 98,556                       | 35,726                                    | 2,868             | 1,878          | 536,800   | 483,384   | 419,001           | 15.4%                                |
| 2300 General Administration                 | 18. | 0                | 0                            | 0   | 0                 | 0              | 0         | 0         | 0                 | 0.0%                                 |
| 2400 School Administration                  | 19. | 0                | 0                            | 0   | 0                 | 0              | 0         | 0         | 0                 | 0.0%                                 |
| 2500 Central Services                       | 20. | 0                | 0                            | 1,372                                     | 0                 | 0              | 5,000     | 1,372     | 220               | 523.6%                               |
| 2600 Operation & Maintenance of Plant       | 21. | 0                | 0                            | 60  | 0                 | 0              | 0         | 60        | 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. | 4,628,936        | 1,632,224                    | 820,282                                   | 59,989            | 2,928          | 7,714,300 | 7,144,359 | 7,076,136         | 1.0%                                 |
| <b>400 Pupil Transportation</b>             | 25. | 1,091,343        | 452,018                      | 336,111                                   | 289,477           | 0              | 2,250,000 | 2,168,949 | 1,497,509         | 44.8%                                |

# Charter AFR Values

## C. Special education programs by type

|   | Program 200 budget | Program 200 actual |    |
|---|--------------------|--------------------|----|
| 1. Total all disability classifications | 250,124            | 212,414            | 1. |
| 2. Gifted education                     | 0                  | 0                  | 2. |
| 3. ELL incremental costs                | 0                  | 0                  | 3. |
| 4. ELL compensatory instruction         | 0                  | 0                  | 4. |
| 5. Remedial education                   | 0                  | 0                  | 5. |
| 6. Vocational and technical education   | 0                  | 0                  | 6. |
| 7. Career education                     | 0                  | 0                  | 7. |
| 8. Total (lines 1-7)                    | 250,124            | 212,414            | 8. |

|   |   |   |    |
|---|---|---|----|
| 9. Expenses incurred for transporting students with disabilities (as defined in A.R.S. §15-761) unique to the IFP | 0 | 0 | 9. |
|---|---|---|----|

District AFR compares pages 2 and 7.

The value on page 2, line 28 subtotal should be equal to the value on page 7, line 8 to reflect all M&O spending from the special education program.

The MOE calculation sums lines 1 and 9 on page 7.

| Expenses   | Instructions | 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>1000 Schoolwide Project and 1500-1999 Other Special Project</b> |              |               |                        |                                     |               |            |         |         |                   |                                |
| <b>200 Special education</b>                                       |              |               |                        |                                     |               |            |         |         |                   |                                |
| 1000 Instruction   | 17.          | 123,394       | 37,596                 | 43,907                              | 7,517         | 0          | 213,124 | 212,414 | 195,545           | 8.63%                          |
| 2000 Support services  |              |               |                        |                                     |               |            |         |         |                   |                                |
| 2100 Students  | 18.          | 0             | 0                      | 0                                   | 0             | 0          | 37,000  | 0       | 554               | -100.00%                       |
| 2200 Instruction   | 19.          | 0             | 0                      | 0                                   | 0             | 0          | 0       | 0       | 500               | -100.00%                       |
| 2300 General administration  | 20.          | 0             | 0                      | 0                                   | 0             | 0          | 0       | 0       | 0                 | 0.00%                          |
| 2400 School administration   | 21.          | 0             | 0                      | 0                                   | 0             | 0          | 0       | 0       | 0                 | 0.00%                          |
| 2500 Central services  | 22.          | 0             | 0                      | 0                                   | 0             | 0          | 0       | 0       | 0                 | 0.00%                          |
| 2600 Operation & maintenance of plant                              | 23.          | 0             | 0                      | 0                                   | 0             | 0          | 0       | 0       | 0                 | 0.00%                          |
| 2900 Other support services  | 24.          | 0             | 0                      | 0                                   | 0             | 0          | 0       | 0       | 0                 | 0.00%                          |
| 3000 Operation of noninstructional services                        | 25.          | 0             | 0                      | 0                                   | 0             | 0          | 0       | 0       | 0                 | 0.00%                          |
| 4000 Facilities acquisition & construction                         | 26.          | 0             | 0                      | 0                                   | 0             | 0          | 0       | 0       | 0                 | 0.00%                          |
| 5000 Debt service  | 27.          | 0             | 0                      | 0                                   | 0             | 0          | 0       | 0       | 0                 | 0.00%                          |
| Subtotal (lines 17-27)   | 28.          | 123,394       | 37,596                 | 43,907                              | 7,517         | 0          | 250,124 | 212,414 | 196,599           | 8.04%                          |
| 400 Pupil transportation   | 29.          | 0             | 11                     | 24,536                              | 4,990         | 448        | 14,947  | 29,985  | 12,643            | 137.17%                        |



# Preparation for the MOE Compliance Testing Window

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- PEAs at risk of failing to meet MOE Compliance standards were notified 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 pages 2 and 7 or 8
- If necessary, a revision of the AFR should be uploaded to School Finance
- Determine if the decrease in M&O spending is considered an allowable exception to Maintenance of Effort

## What Happens if the PEA Doesn't Meet the Standards on One or More of the Methods?

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During the MOE Compliance testing window (March 1-31), PEAs can:

- Submit Local Only funds, if applicable
- Submit allowable exceptions (A-E) to establish a new compliance threshold
  - Special Education staff departure
  - Decrease in SPED enrollment
  - Termination of obligation of child's program
  - Termination of costly long-term purchase
  - Assumption of cost by High-Cost fund operated by the SEA
- Contact ESS Program Management if 2024 AFR data was incorrectly reported and a revised AFR has been accepted by ADE School Finance

# 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 FY25 MOE Eligibility test, it should submit those same exceptions in the FY25 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



## Consult with PEA Business Manager

Look for decreases in expenditures as reported on the 2024 AFR to determine if the decrease fits an allowable exception. These values come from Program 200 for Special Education on page 2 of the AFR.

|                    | Method 2 | 2023         | 2024         | Difference    |
|--------------------|----------|--------------|--------------|---------------|
| Salaries           |          | \$ 51,250.00 | \$ 53,450.00 | \$ 2,200.00   |
| Benefits           |          | \$ 15,480.00 | \$ 14,830.00 | \$ (650.00)   |
| Purchased Services |          | \$ 19,854.00 | \$ 18,304.00 | \$ (1,550.00) |
| Supplies           |          | \$ -         | \$ -         | \$ -          |
| Other              |          | \$ -         | \$ -         | \$ -          |
| Transportation     |          | \$ -         | \$ -         | \$ -          |
| Non-SPED Expenses  |          | \$ -         | \$ -         | \$ -          |
|                    |          | \$ 86,584.00 | \$ 86,584.00 | \$ -          |

# Accessing the MOE Application

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The ESS Portal of ADEConnect

# How to Access the MOE Application

**Applications**  
Access and use ADE applications.

[View Applications](#)

## Applications

[Hide All]

| Arizona Department of Education (79275)    | [ - ] |
|--|-------|
| ADE Motor Pool Reservation System          | ☆ ↗   |
| AZDash                                     | ☆ ↗   |
| AzEDS Identity                             | ☆ ↗   |
| AzEDS Identity UAT                         | ☆ ↗   |
| AzEDS Portal                               | ☆ ↗   |
| AzEDS Portal UAT                           | ☆ ↗   |
| Education Organization System              | ☆ ↗   |
| Event Management System (EMS)              | ☆ ↗   |
| <b>Exceptional Student Services Portal</b> | ☆ ↗   |
| Grants Management                          | ☆ ↗   |
| IT Change Management                       | ☆ ↗   |

**APPLICATION PORTAL**  
**EXCEPTIONAL STUDENT SERVICES**

Home Admin ESS Portal - Data Visualization Help Welcome, Trainor, Candice

Welcome to the Exceptional Student Services Application Portal

- Administrative Applications**  
Systems that facilitate administrative business processes such as Private Day School, RTC, Vouchers and Surrogate applications.  
Dispute Resolution  
Public Comment  
Special Education Program Approvals  
Surrogate Parent
- Data Collection & Reporting**  
Applications that facilitate data collection efforts which determine Federal IDEA Indicators.  
Legacy - Discipline Data Collection  
October 1 Data Collection  
Special Education Data Dashboard
- Monitoring & Compliance**  
Monitoring activities that are based on risk analysis outcomes that are aligned to the SPP/APR and reflect the importance of indicator data.  
Maintenance of Effort  
Monitoring  
PEA Determinations  
Risk Analysis
- Student Assessments**  
Applications pertinent to the administration of the Alternate Assessment.  
1% Threshold  
Alternate Assessments

**Surveys & Assurances**  
The Statement of Assurances and surveys for Parent Involvement, Teacher Attrition, Post School Outcomes, and other information.  
Data Surveys  
Post School Outcomes Survey  
Statement of Assurances

**Vouchers & Claims**  
Applications which provide funding for residential, institutional, and specific special education placements.  
High Cost  
Vouchers  
Extraordinary Special Education Needs

The MOE Application resides in the ESS Portal of ADE Connect.

The PEA ADEConnect Administrator must assign the **“ESS Funding and Maintenance of Effort: LEA User”** role to anyone who will use the MOE Application.

If the link for ESS Maintenance of Effort is greyed out, you do not have permission to use the application.

# MOE Application Homepage



IDEA MAINTENANCE OF EFFORT

## EXCEPTIONAL STUDENT SERVICES

Home LEA Activities Help

Welcome, ESS LEAGroup ESS!

### Home

#### Frequently Asked Questions (FAQs)

#### Alerts

- 7/18/2024 - 9:35 AM - [Comment Added: ADE Override at 7/18/2024 - 9:35 AM by Candice.Trainor@azed...](#)
- 7/18/2024 - 9:35 AM - [This notice is to inform you that as of Thursday, July 18, 2024, you have s...](#)

To view test results, choose LEA Activities --> Compliance.

The **FY2025 MOE Compliance Testing** window will be open from March 1-31, 2025. All public education agencies are required to review the test results and confirm the values match the SPED student count and AFR values from fiscal year 2024.

The MOE Compliance testing data reflects the State & Local funds reported on your 2024 Annual Financial Report and the SPED count from the SPED20 report from AzEDS. These values are compared against the MOE Compliance standards established in the FY24 MOE Compliance test in March 2024. To pass the MOE Compliance test, only one of the four available methodologies must meet or exceed your comparison year's compliance value, also known as the compliance standard.

To review the results of the public education agency's MOE Compliance test, please click on LEA Activities --> Compliance. Then, choose No for Local Only funds, if applicable, and confirm your choice.

PEAs that have failed both method 2 and method 4 may resolve the MOE Compliance case by:

- Submitting allowable exceptions through the MOE Application or
- Submitting a revised AFR through the [ADE School Finance System](#).

If you plan to submit a revised AFR, you must e-mail ESS Program Management with the file reference number of the revised AFR once the School Finance Budget Team has successfully processed it. The deadline to submit a revised adopted budget to School Finance or enter exceptions/reductions to the ESS MOE application is March 31, 2025.

If you plan to submit allowable exceptions, please review the FAQ document in the Help menu for details on the six allowable exceptions. You will need to enter that into the system and upload supporting documentation. Once you are ready to submit your MOE Compliance data, please navigate to the Submission Summary page. Enter a comment in the LEA comment box, acknowledge the statement to verify your submission, and press Submit. **This year, narratives from SPED Directors are required for any exceptions from A, C, D, or E.**

Failure to meet the MOE Compliance standard may require a repayment of state and local funds and the public education agency's IDEA Part B funds will be placed on hold.

Please e-mail [ESS Program Management](#) if you have any questions about your MOE Eligibility test.

Register for the March 4 webinar below.

- Maintenance of Effort - March 4, 2025

Pay attention to Alerts.

Today's webinar materials will be loaded to the bottom of the screen.

# Alerts

## Alert

Your status has changed. Here are the details:

### Date

2/29/2024

### Submission Status Change

Submitted to Closed

### MOE Status

Met with Exceptions

### Reason

Closed

### Additional Comments

This notice is to inform you that as of Thursday, February 29, 2024, you have satisfied the current fiscal year's maintenance of effort (MOE) compliance requirements for IDEA funding. The Arizona Department of Education, ESS Maintenance of Effort Program, now considers this matter CLOSED. If you have questions about this process, please direct your inquiry to (602) 542-3398.

[Review your MOE case.](#)

If you have any questions, please contact ESS Program Management via e-mail at [essprogmgmt@azed.gov](mailto:essprogmgmt@azed.gov).

Delete

Back

## Alert

A comment was added.

### Date

2/29/2024

### MOE Status

Met with Exceptions

### Additional Comments

The PEA has met methods 2 and 4 using exceptions A and B. Please note your compliance thresholds and comparison years.

Method 2: 2023 AFR, \$ 642,651.00  
Method 4: 2023 per capita, \$ 5,994.32

Please note these numbers, as you must refer to them as you prepare the FY25 Adopted Budget for School Finance.

Thanks for completing your MOE Compliance test.

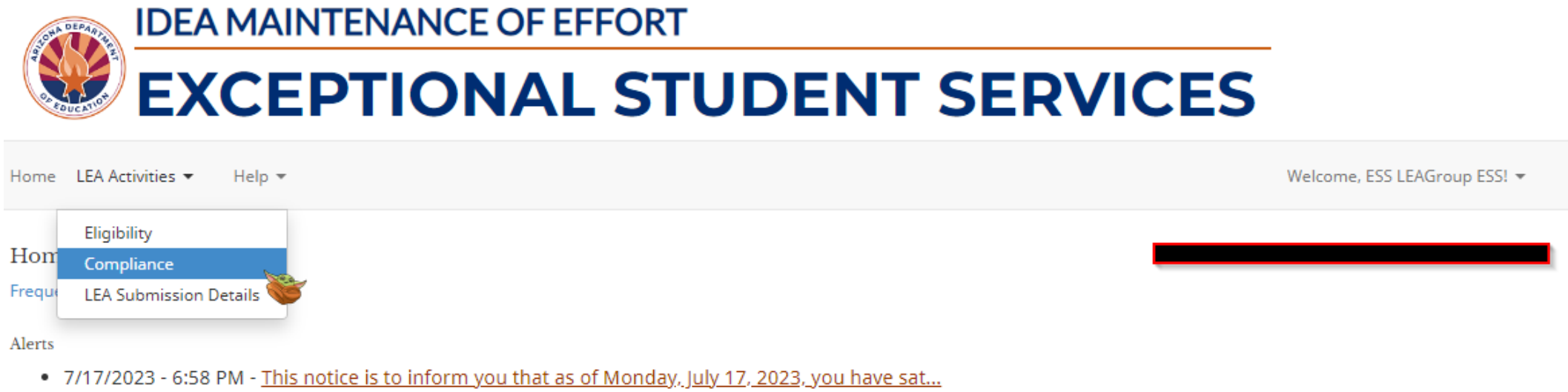
[Review your MOE case.](#)


If you have any questions, please contact ESS Program Management via e-mail at [essprogmgmt@azed.gov](mailto:essprogmgmt@azed.gov).

Delete

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# Access the Compliance Test



 **IDEA MAINTENANCE OF EFFORT**  
**EXCEPTIONAL STUDENT SERVICES**

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Alerts

- Eligibility
- Compliance**
- LEA Submission Details 

• 7/17/2023 - 6:58 PM - [This notice is to inform you that as of Monday, July 17, 2023, you have sat...](#)

Use the LEA Activities dropdown menu and choose Compliance.



# MOE Use Case #1:

---

No local only funds, pass both methods

# No Local Only Funds

Include Local Only?



Pending

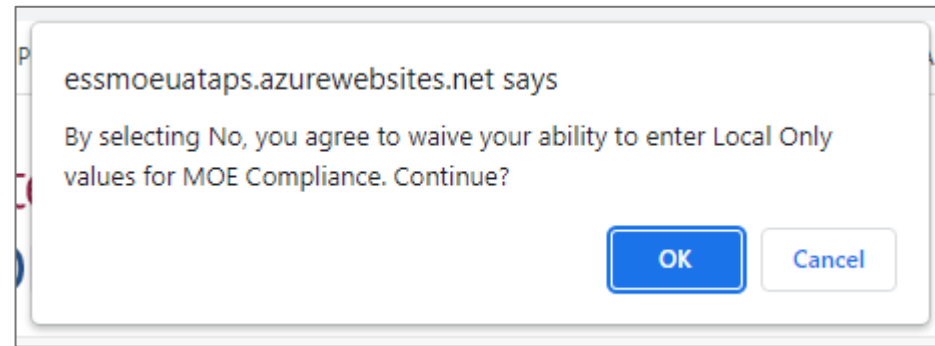
Local only funds may not include funds derived from state aid or other federal sources. Typically, the only funds that would be applied here are school districts that have levied a tax against residents or public education agencies that have received donations or other non-governmental revenue. If the PEA does not generate local only revenue, please select "No" and move on to the next section of the MOE application.

In order to accurately test for Maintenance of Effort (MOE), the public education agency must indicate whether they wish to identify local special education expenditures out of the total amount that is extracted from an annual financial report. If the user chooses "yes," he/she will be required to upload documentation that reflects the amount of local special education expenditures. Any uploaded documentation will be reviewed by an ESS fiscal specialist. If local expenditures are submitted and approved then MOE testing will be processed using all four methodologies, otherwise only two methodologies will be capitalized.

§300.203 - Maintenance of effort.

- (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.

Yes  No



If the PEA has no local only funds to report, click no and then confirm your choice on the dialog box.



# Methods 2 and 4: Met; Pass MOE Overall

## Compliance Test Results

Pending

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

| Item                   | Overall | Method 1<br>Local Cost | Method 2<br>2023 State and Local Cost | Method 3<br>Local Per Capita Cost | Method 4<br>2022 State and Local Per Capita Cost |
|------------------------|---------|------------------------|---------------------------------------|-----------------------------------|--|
| 2024 Amount            |         | N/A                    | \$359,518.00                          | N/A                               | \$6,922.17                                       |
| Comparison Year Amount |         | N/A                    | \$288,294.00                          | N/A                               | \$6,908.10                                       |
| Difference             |         | N/A                    | \$71,224.00                           | N/A                               | \$14.06  |
| 2024 SPED Count        |         |                        |                                       | N/A                               | x 51.9372  |
| Total Difference       |         | N/A                    | \$71,224.00                           | N/A                               | \$730.44   |
| Status                 | Met     | N/A                    | Met                                   | N/A                               | Met  |

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If both methods are Met, the PEA only needs to click Continue to access the Submission Summary page. No exceptions or reductions need to be reviewed, but it is recommended to have the PEA review Method 4 calculation and SPED Count.

# Method 4: State and Local Per Capita Calculation

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 |
|-------------|----------------------|------------|---------------------------------|
| 2024        | \$359,518.00         | 51.9372    | \$6,922.17                      |
| 2022        | \$307,336.00         | 44.4892    | \$6,908.10                      |
| Difference  |                      |            | \$14.06                         |
| Status      |                      |            | Met                             |

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

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The per capita test is used to compare local only (method 3) or state and local (method 4) values of expenditure divided by the SPED Count from the SPED20 report from ADE School Finance. If the number of students in the testing year (2024) appears different than your local records, [e-mail ESS Program Management](#) immediately. Click back to get to the previous screen.

# Submit: Both Methods Have Met the MOE Compliance Standard

The PEA met both method 2 (overall expenditure) and method 4 (per capita expenditure).

The PEA does not have to submit any supporting documents.

The PEA must include a comment and check the acknowledgment box to submit.

## Submission Summary

[Redacted]

Pending

### Supporting Documentation

Supporting Documentation must be uploaded if you are submitting data for Exception A, Exception C, Exception D, and/or Exception E.

[Upload Documents...](#)

### Comments

#### LEA Comments

The district has reviewed expenditures and student count. We have passed both methods.



### Acknowledgement



By checking this box you certify that, to the best of your knowledge, this information is truthful and accurate. Your certification is considered an electronic record with legal effect, validity, and enforceability as defined in S. 2107 of the Government Paperwork Elimination Act.

[Submit](#)

[Cancel](#)

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# Successful Submission: Both Methods Pass

Submission Summary

Submitted

Message: Submission was successful.

The PEA MOE test will be reviewed by the ESS MOE Specialist.

The PEA will receive an automated e-mail informing them when the MOE Specialist has closed the case.

The PEA should share 2024 AFR values with the Business Office to ensure these are used for upcoming MOE Eligibility (FY26 Budget) and MOE Compliance (FY25 AFR) tests.

Use the new compliance thresholds on the [Budget Planning Tool](#).



# MOE Use Case #2:

---

Submitting local only funds

# Supporting Documentation Required for Local Only Funds

The local only amount should not equal the state and local amount.

The PEA will be required to upload documents to show that the local only amount entered on this screen is found within PEA Accounting Reports.

## Local Only Amounts

████████████████████  
Pending

Enter the local only values.

| Fiscal Year | Local Only Amount                    | State and Local Amount |
|-------------|--------------------------------------|------------------------|
| 2024        | <input type="text" value="3750000"/> | \$13,400,610.18        |

Please upload supporting documentation for your local only expenditure values. Any existing files will be overwritten.

Attachments

| Document Name | Uploaded On         |        |
|---------------|---------------------|--------|
| 172763.xls    | 3/3/2025 8:41:31 AM | Delete |

Showing 1 of 1 entries

# MOE Compliance Test Results: Methods 1-4

## Compliance Test Results

[Redacted]

Pending

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

| Item                   | Overall | Method 1        | Method 2                  | Method 3                   | Method 4                             |
|------------------------|---------|-----------------|---------------------------|----------------------------|--------------------------------------|
|                        |         | 2023 Local Cost | 2018 State and Local Cost | 2023 Local Per Capita Cost | 2023 State and Local Per Capita Cost |
| 2024 Amount            |         | \$3,750,000.00  | \$13,400,610.18           | \$3,649.72                 | \$13,042.25                          |
| Comparison Year Amount |         | \$3,170,139.13  | \$14,602,024.00           | \$3,217.00                 | \$12,221.35                          |
| Difference             |         | \$579,860.87    | (\$1,201,413.82)          | \$432.72                   | \$820.89                             |
| 2024 SPED Count        |         |                 |                           | x 1,027.4771               | x 1,027.4771                         |
| Total Difference       |         | \$579,860.87    | (\$1,201,413.82)          | \$444,604.95               | \$843,449.37                         |
| Status                 | Met     | Met             | Not Met                   | Met                        | Met                                  |

Back Continue

The PEA, in this example, has established new compliance standards because local only funds exceeded the comparison year amounts from 2023 local only funds data. Method 2 is failing, so the PEA is allowed to submit data for allowable exceptions/reductions.

# Allowable Exceptions/Reductions 34 CFR § 300.204

## Allowable Exceptions/Reductions

Pending

### SEC. 300.204 Exception to maintenance of effort.

Notwithstanding the restriction in Sec. 300.203(a), 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 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;
  - (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 Sec. 300.704(c).

(Authority: 20 U.S.C. 1413(a)(2)(B))

### SEC. 300.205 Adjustment to local fiscal efforts in certain fiscal years

- (f) Amounts in excess. Notwithstanding Sec. 300.202(a)(2) and (b) and Sec. 300.203(a), and except as provided in paragraph (d) of this section and Sec. 300.230(e)(2), for any fiscal year for which the allocation received by an LEA under Sec. 300.705 exceeds the amount the LEA received for the previous fiscal year, the LEA may reduce the level of expenditures otherwise required by Sec. 300.203(a) by not more than 50 percent of the amount of that excess.

(Authority: 20 U.S.C. 1413(a)(2)(C))

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Submission Summary



# Submission Summary for Local Only Funds

## Submission Summary

[Redacted]

Pending

Local Only

| Fiscal Year | Local Only Amount | State and Local Amount |
|-------------|-------------------|------------------------|
| 2024        | \$3,750,000.00    | \$13,400,610.18        |

Attachments:

| Document Name | Uploaded On         |
|---------------|---------------------|
| 172763.xls    | 3/3/2025 8:41:31 AM |

Comments

LEA Comments

The district will pass MOE Methods 1 and 3 using local-only funds. Method 2 will keep the comparison year data.

Acknowledgement

By checking this box you certify that, to the best of your knowledge, this information is truthful and accurate. Your certification is considered an electronic record with legal effect, validity, and enforceability as defined in S. 2107 of the Government Paperwork Elimination Act.

Submit Cancel

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The PEA will submit with no exceptions.

The PEA must submit a comment and click the box to acknowledge accurate data.



# MOE Use Case #3:

---

Submitting MOE Exceptions

# MOE Compliance Test Results: No Local Only Funds

## Compliance Test Results

[Redacted]

Pending

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

| Item                   | Overall        | Method 1<br>Local Cost | Method 2<br>2023 State and Local Cost | Method 3<br>Local Per Capita Cost | Method 4<br>2018 State and Local Per Capita Cost |
|------------------------|----------------|------------------------|---------------------------------------|-----------------------------------|--|
| 2024 Amount            |                | N/A                    | \$155,769.00                          | N/A                               | \$3,878.90                                       |
| Comparison Year Amount |                | N/A                    | \$269,621.00                          | N/A                               | \$9,094.90                                       |
| Difference             |                | N/A                    | <a href="#">(\$113,852.00)</a>        | N/A                               | <a href="#">(\$5,216.00)</a>                     |
| 2024 SPED Count        |                |                        |                                       | N/A                               | x 40.1580  |
| Total Difference       |                | N/A                    | <a href="#">(\$113,852.00)</a>        | N/A                               | <a href="#">(\$209,463.98)</a>                   |
| Status                 | <b>Not Met</b> | N/A                    | <b>Not Met</b>                        | N/A                               | <b>Not Met</b>                                   |

Amount Owed: \$113,852.00  
Repayments: \$0.00  
Balance Owed: \$113,852.00

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Click on the hyperlink under Method 2 or 4 to view test results in detail.

# Method 4 Values

ESS MOE Specialists recommend that all PEAs look at Method 4 calculation. If the testing year SPED count is less than the comparison year SPED count, one of the exceptions may be automatically applicable to your PEA.

Click Back to return to the previous screen and then Continue to see the Allowable Exceptions page.

IDEA Fund Compliance Method 4



Pending

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 |
|-------------|----------------------|------------|---------------------------------|
| 2023        | \$642,651.00         | 107.2100   | \$5,994.32                      |
| 2022        | \$1,667,722.00       | 187.8571   | \$8,877.61                      |
| Difference  |                      |            | (\$2,883.29)                    |
| Status      |                      |            | Not Met                         |

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



# Allowable Exceptions/reductions 34 CFR § 300.204 (repeated)

## Allowable Exceptions/Reductions

Pending

### SEC. 300.204 Exception to maintenance of effort.

Notwithstanding the restriction in Sec. 300.203(a), 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 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;
  - (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 Sec. 300.704(c).

(Authority: 20 U.S.C. 1413(a)(2)(B) )

### SEC. 300.205 Adjustment to local fiscal efforts in certain fiscal years

- (f) Amounts in excess. Notwithstanding Sec. 300.202(a)(2) and (b) and Sec. 300.203(a), and except as provided in paragraph (d) of this section and Sec. 300.230(e)(2), for any fiscal year for which the allocation received by an LEA under Sec. 300.705 exceeds the amount the LEA received for the previous fiscal year, the LEA may reduce the level of expenditures otherwise required by Sec. 300.203(a) by not more than 50 percent of the amount of that excess.

(Authority: 20 U.S.C. 1413(a)(2)(C) )

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Submission Summary



# Exception A

---

Special Education Staff Departures

## Exception A: SPED Staff Departure

Voluntary departure, by retirement or otherwise, or departure for just cause of special education or related services personnel 34 CFR § 300.204 (a)

*(Reduction in force, layoffs, or reorganization are usually not permitted)*

ADE doesn't distinguish between PEA employees vs. purchased professional services (contracted vendors)

| Retirement                 |          |
|----------------------------|----------|
| Teacher A retires in FY23  | \$65,000 |
| Teacher B replaced in FY24 | \$55,000 |
| Total exception            | \$10,000 |

| Contracted                         |           |
|------------------------------------|-----------|
| Contracted Speech Services in FY22 | \$100,000 |
| SLP hired in FY24                  | \$75,000  |
| Total exception                    | \$25,000  |



# Exception A: SPED Staff Departures

## Special Education Staff Departures

Pending

A: Allowable Exception – Special Education Staff Departure: The departure, by retirement or otherwise, or departure for just cause, of special education or related services personnel.

If applicable, enter Name, Account Number, and Amount of Salaries and Benefits previously locally/state funded. To add additional lines, click *Add Special Education Staff Departure*. When all personnel have been added or if this exception does not apply, click *Continue*.

Staff Departures

Show  entries Search:

| FiscalYear                 | Staff Name | Salary Expended | Benefit Expended | Reason |
|----------------------------|------------|-----------------|------------------|--------|
| No data available in table |            |                 |                  |        |

Showing 0 to 0 of 0 entries ◀ Previous Next ▶

Add

Cancel

Back

Continue

Submission Summary

To enter SPED Staff Departure data, click Add.

# Scenario 1: Eliminated FTE Position

## Add Special Education Staff Departure

Enter the Name, Account Number, and Amount of Salaries and Benefits previously locally/state funded. When done, click Save.

|                                     |                  |
|-------------------------------------|------------------|
| Staff Departure                     |                  |
| Fiscal Year                         |                  |
| 2021                                |                  |
| First Name                          |                  |
| Candice                             |                  |
| Last Name                           |                  |
| Trainor                             |                  |
| Salary Account                      | Salary Expended  |
| 001.200.6127.1000                   | 55000            |
| Benefit Account                     | Benefit Expended |
| 001.200.62xx.1000                   | 11550            |
| Reason for Leaving                  |                  |
| Other                               |                  |
| Reason Comments                     |                  |
| Eliminated self-contained classroom |                  |
| Save                                | Back             |

If the PEA eliminated a position because a reorganization occurred, the SPED Director would need to provide a narrative as supporting documentation to explain how FAPE was still provided in the testing year (2024).

The departing staff's payroll information should also be submitted as supporting documentation for the last fiscal year the position was supported by state and local funds.

Supporting Documentation is submitted on the submission summary page.

# Scenario 2: Contracted Vendor to PEA Employee

**Staff Departure**

Fiscal Year: 2021

First Name: Contracted SLP

Last Name: Company Name

Salary Account: 001.200.63xx.2100

Salary Expended: 95000.00

Benefit Account:

Benefit Expended:

Reason for Leaving: Other

Reason Comments: 2021 contract ended and we hired SLP in district for 2022

**Staff Departures Replacements**

Show 10 entries

Staff Name

Showing 0 to 0 of 0 entries

Add

**Staff Departure Replacement**

First Name: Jane

Last Name: Doe

Salary Account: 001.200.61xx.2100

Salary Expended: 60000

Benefit Account: 001.200.62xx.2100

Benefit Expended: 12600

Replaces: Company Name, Contracted SLP

Save Back

In this example, the PEA replaced a contracted SLP (2021) with a PEA employee (2022). The contracted vendor data is entered in SPED staff departure with all applicable fields filled out. The Staff Departure Replacement record is generated to show what the PEA employee earned in 2021. The MOE application calculates the net difference.

# Scenario 3: Retirement and Replacement

| Staff Departure           |  | Staff Departure Replacement |                   |
|---------------------------|--|-----------------------------|-------------------|
| <b>Fiscal Year</b>        | 2021   | <b>First Name</b>           | Judy              |
| <b>First Name</b>         | George   | <b>Last Name</b>            | Jetson            |
| <b>Last Name</b>          | Jetson   | <b>Salary Account</b>       | 001.200.6175.1000 |
| <b>Salary Account</b>     | 001.200.6174.1000                                      | <b>Salary Expended</b>      | 52000             |
| <b>Benefit Account</b>    | 001.200.62xx.1000                                      | <b>Benefit Expended</b>     | 10920             |
| <b>Reason for Leaving</b> | Retirement   | <b>Replaces</b>             | Jetson, George    |
| <b>Reason Comments</b>    | Teacher retired in 2021 and was replaced with new grad |                             |                   |

If an employee retired in the comparison year or intervening year, and the staff replacement's total compensation was less, the system will calculate the net difference and apply the exception.

## Supporting Documentation for Exception A

---

- Accounting Statements from Comparison and Testing years (must match accounting ledger codes)
- Narratives from SPED Director to explain how FAPE was provided in the testing year if reorganization occurred or positions were eliminated



# Exception B

---

Decrease in SPED Enrollment

# Exception B: Decrease in SPED Enrollment

## Decrease in SPED Enrollment

[Redacted]

Pending

B: Allowable Exception - Decrease in SPED Enrollment: A decrease in the enrollment of children with disabilities.

|                  |   |                |   |                        |
|------------------|---|----------------|---|------------------------|
| FY 2023 SPED 28  | - | FY 2024 SPED20 | = | SPED Student Decrease  |
| 58.2516          | - | 40.1580        | = | 18.0936                |
| Student Decrease | X | FY 2023 PPE    | = | Total Decrease in SPED |
| 18.0936          | X | 4628.5596      | = | \$83,747.31            |

If applicable, by checking this box, you certify that this reduction reflects an accurate decrease in enrollment of students with disabilities for your local education agency. This acknowledges that you wish to use this reduction as an exception for purposes of Maintenance of Effort testing.

A decrease in the enrollment of children with disabilities [34 CFR § 300.204 \(b\)](#)  
This is a system-generated exception. If it applies to the PEA, you'll be able to check the box to take the exception. Click Save.  
If your PEA did not experience a SPED student decrease, click Continue

# Exception B: Check the Box, If Available

## Decrease in SPED Enrollment

[Redacted]

Pending

B: Allowable Exception - Decrease in SPED Enrollment: A decrease in the enrollment of children with disabilities.

|                  |   |                |   |                        |
|------------------|---|----------------|---|------------------------|
| FY 2023 SPED 28  | - | FY 2024 SPED20 | = | SPED Student Decrease  |
| 58,2516          | - | 40,1580        | = | 18,0936                |
| Student Decrease | X | FY 2023 PPE    | = | Total Decrease in SPED |
| 18,0936          | X | 4628,5596      | = | \$83,747.31            |

If applicable, by checking this box, you certify that this reduction reflects an accurate decrease in enrollment of students with disabilities for your local education agency. This acknowledges that you wish to use this reduction as an exception for purposes of Maintenance of Effort testing.

The PEA in this example can apply \$83,747.31 to the overall exceptions because it had a decrease in students from 2023 to 2024 in the SPED program. We use SPED20 values for student counts to calculate Method 4 per capita value and Exception B amount, if applicable.





# Exception C

---

Termination of Obligation for Students

## Exception C: Termination of Obligation for Students

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.

34 CFR § 300.204 (c)

Termination of Obligations Pending

C: Allowable Exception – 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:

NOTE: Cost per child (for a costly special education program) should be twice the average per pupil amount for the last full year the student was in the program.

The District/Charter is expected to have and maintain the following documents related to this exception. By statute you are required to retain this documentation for five years, from the date of exception submission, and present it when asked in the event of an audit.

- Accounting information supporting expenses
  - Student program file
  - Service change in the student's IEP
  - Student's original IEP
  - Student's revised IEP
  - Document (such as meeting minutes) of the IEP team's decision
  - Instructional setting for affected student(s)
  - Dollar amount of terminated services per student

Termination of Obligations

Show 10 entries Search:

| FiscalYear                 | State Student ID | Birth Date | Amount | Reason for Leaving |
|----------------------------|------------------|------------|--------|--------------------|
| No data available in table |                  |            |        |                    |

Showing 0 to 0 of 0 entries ◀ Previous Next ▶

Add Cancel Back Continue Submission Summary

ADE uses twice the per-pupil expenditure of students with disabilities.  
For FY24 MOE Compliance, that is just over \$18,000.

## Exception C: Blank Template

Add Termination of an Obligation

Fiscal Year

State Student ID

Name

Birth Date

Account  Amount

Reason for Leaving

Description

Choose from the drop-down menu the fiscal year for the last year the student's costs were paid by state & local funds.

Enter the SSID number for the student and click verify to auto-populate the student's data from AzEDS.

Enter the account number from which the expenses were paid and the amount for the expenses in the comparison year or intervening year.

Provide a reason for leaving and a short description.

Supporting documentation must be supplied to use Exception C.

# Exception C: Descriptions are Required

Termination of an Obligation [Redacted]

Pending

Message: Student [Redacted] is valid. x

Fiscal Year  
2020

State Student ID  
[Redacted]

Name  
[Redacted]

Birth Date  
[Redacted]

|                   |        |
|-------------------|--------|
| Account           | Amount |
| 001.6520.1000.978 | 27000  |

Reason for Leaving  
Has left the jurisdiction of the agency

Description  
The student graduated in 2020 and services were no longer needed in 2021

- The PEA will provide the SSID of a student that was served in the comparison year (or intervening year), but not paid for in the testing year. (Ex. *The student graduated in 2020 and services were not needed in 2021.*)
- Once the verify button is checked, the MOE application will provide the student's name and birth date.
- The PEA will provide the account number and amount expended for this student as well as the reason for leaving (*left the PEA, aged out of SPED, or was exited from SPED*) and a description of the student's costs (*tuition to out-of-district placement or other costs not reported in Exception A*).
- Supporting documentation must be supplied to use Exception C.

## Supporting Documentation for Exception C

---

- Accounting Statements from Comparison and Testing years (must match accounting ledger codes)
- Narratives from SPED Director to explain the specific decreases in costs for the termination of student obligations



# Exception D

---

Termination of costly long-term purchases

# Exception D: Termination of Costly Long-Term Purchase

The termination of costly expenditures for long-term purchases, such as the acquisition of equipment or the construction of school facilities.

34 CFR § 300.204 (d)

Termination of Costly Long-Term Purchases Pending

D: Allowable Exception - Termination of Costly Long-Term Purchases: The termination of costly expenditures for long-term purchases, such as the acquisition of equipment or the construction of school facilities.

Long-term means the item must have an anticipated life span of more than 12 months. To qualify for this exception, equipment must have a per-unit cost of \$5,000 or more.

If applicable, enter the capital expenditure that was incurred during the fiscal period using state/local funds.

Supporting Documentation related to this exception must be retained for a period of five years, from the date of exception submission. Documentation must be available and presented in the event of an audit.

Termination of Costly Purchases

Show 10 entries Search:

| FiscalYear                 | Description | Cost |
|----------------------------|-------------|------|
| No data available in table |             |      |

Showing 0 to 0 of 0 entries ◀ Previous Next ▶

### Add Termination of Costly Long-Term Purchase

Fiscal Year

Account  Cost

Description

How funds were used

## Exception D: Blank Template

Add Termination of Costly Long-Term Purchase

Fiscal Year

Account  Cost

Description

How funds were used

The PEA must provide information about the costly long-term purchase and upload supporting documentation on the submission summary page.



## Supporting Documentation for Exception D

---

- Accounting Statements from Comparison and Testing years (must match accounting ledger codes)
- Narratives from SPED Director to explain the specific decreases in costs for the termination of costly long-term purchase



# Exception E

---

High-Cost Child Claims

# Exception E: The assumption of Cost by the high-cost fund operated by the SEA

The Assumption of Cost by the High Cost Fund Operated by the SEA Pending

E: Allowable Exception – The assumption of cost by the high cost fund operated by the SEA under 300.704(c).

Students who have been deemed eligible as part of the IDEA High Cost Grant can be listed below as a valid exception for reducing the obligation a public education agency must meet for Maintenance of Effort. Any students submitted into this field will be validated against information submitted into AzEDS and the funding application in Grants Management.

Assumption of Cost

Show  entries Search:

| FiscalYear                 | State Student ID | Birth Date | Amount |
|----------------------------|------------------|------------|--------|
| No data available in table |                  |            |        |

Showing 0 to 0 of 0 entries ◀ Previous Next ▶

- The assumption of cost by the high-cost fund operated by the SEA under 34 CFR §300.704(c).  
[34 CFR § 300.204 \(e\)](#)
- This exception is only applicable if the PEA was approved for High-Cost Child claims in 2024 and those funds were paid out prior submitting the 2024 AFR.

# Exception E: Student Data

The Assumption of Cost by the High Cost Fund Operated by the SEA

Message: Validation errors occurred.

Fiscal Year

2021

State Student ID

The State Student ID field is required.

Birth Date

The Birth Date field is required.

Account

001.200.6500.1000

Amount

37500

Description of Cost moved to the high cost fund

Student's tuition, transportation, and related services at an approved private day school

Choose fiscal year 2023, even though the costs were reduced in fiscal year 2024.

The ESS IT developers are working on fixing this bug in the application.

The PEA must provide the SSID and birth date of the student(s) awarded High-Cost Claims in FY24.

[E-mail the ESS Program Management team](#) for assistance in printing reports of claim amounts.

The PEA must describe the costs that would have normally been paid from state and local, or local only funds, that were moved to the HCC fund.



## Supporting Documentation for Exception E

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- Accounting Statements from Comparison and Testing years (must match accounting ledger codes)
- Evidence that the PEA was awarded an HCC claim in FY23 from the IDEA set-aside funds, not ESEN state funds



# Exception F

---

Allowable adjustment to local fiscal efforts

# Exception F: Allowable Adjustment to Local Fiscal Efforts

## Allowable Adjustment to Local Fiscal Efforts

Pending

F: Allowable Reduction - Allowable Adjustment to Local Fiscal Efforts. SEC. 300.205 Adjustment to local fiscal efforts in certain fiscal years

Amounts are pre-populated, if applicable, insert the amount. You may use all or a portion of the amount available.

(a) *Amounts in excess.* Notwithstanding § 300.202(a)(2) and (b) and § 300.203(a), and except as provided in paragraph (d) of this section and § 300.230(e)(2), for any fiscal year for which the allocation received by an LEA under § 300.705 exceeds the amount the LEA received for the previous fiscal year, the LEA may reduce the level of expenditures otherwise required by § 300.203(a) by not more than 50 percent of the amount of that excess.

(b) *Use of amounts to carry out activities under ESEA.* If an LEA exercises the authority under paragraph (a) of this section, the LEA must use an amount of local funds equal to the reduction in expenditures under paragraph (a) of this section to carry out activities that could be supported with funds under the ESEA regardless of whether the LEA is using funds under the ESEA for those activities.

(c) *State prohibition.* Notwithstanding paragraph (a) of this section, if an SEA determines that an LEA is unable to establish and maintain programs of FAPE that meet the requirements of section 613(a) of the Act and this part or the SEA has taken action against the LEA under section 616 of the Act and subpart F of these regulations, the SEA must prohibit the LEA from reducing the level of expenditures under paragraph (a) of this section for that fiscal year.

(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.

(Approved by the Office of Management and Budget under control number 1820-0600) (Authority: 20 U.S.C. 1413(a)(2)(C))

Enter all eligible expenditures during the period that would qualify under these conditions. The expenditures must meet the amount that is required for reporting. Click on the Continue button when all fields have been entered.

The PEA is not eligible to take Exception F for the testing year. Contact [essprogmgmt@azed.gov](mailto:essprogmgmt@azed.gov) for additional information.

ESS has disabled the allowable adjustment to local fiscal efforts (Exception F) for the FY2025 MOE Compliance test.



# Submission Summary

Submission Summary



Pending

Exceptions/Reductions

| Description   | Exception/Reduction Amount |
|---|----------------------------|
| A. Special Education Staff Departures                               | \$113,150.00               |
| B. Decrease in SPED Enrollment                                      | \$7,201.89                 |
| C. Termination of Obligations                                       | \$0.00                     |
| D. Termination of Costly Long-Term Purchases                        | \$0.00                     |
| E. The Assumption of Cost by the High Cost Fund Operated by the SEA | \$0.00                     |
| F. Allowable Adjustment to Local Fiscal Efforts                     | \$0.00                     |
| <b>Total Exceptions/Reductions</b>                                  | <b>\$120,351.89</b>        |

**Total Amount of Exceptions/Reductions Requested**

\$120,351.89



Supporting Documentation

Supporting Documentation must be uploaded if you are submitting data for Exception A, Exception C, Exception D, and/or Exception E.

[Upload Documents...](#)

Attachments:

| Selected?                | Document Name | Uploaded On          |        |
|--------------------------|---------------|----------------------|--------|
| <input type="checkbox"/> | Salary.txt    | 2/27/2023 9:03:03 PM | Delete |

[Download Selected File\(s\)](#)



## Submission Summary (Continued)

---

Comments

**LEA Comments**

Salary information was updated to support SPED Staff Departures

Acknowledgement

By checking this box you certify that, to the best of your knowledge, this information is truthful and accurate. Your certification is considered an electronic record with legal effect, validity, and enforceability as defined in S. 2107 of the Government Paperwork Elimination Act.

Submit    Cancel    Back

The PEA must add a comment and check the acknowledgment box before submitting the MOE Compliance test data.

# Next Steps

---

Submission Summary

Submitted

Message: Submission was successful.



The PEA will see a green banner if the submission summary is successful.

The MOE Compliance case will be reviewed by an ESS MOE specialist.



# MOE Use Case #4:

---

Pass Method 4, per Capita test

# PEA Only Met Method 4

## Compliance Test Results

Pending

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

| Item                   | Overall    | Method 1<br>Local Cost | Method 2<br>2023 State and Local Cost | Method 3<br>Local Per Capita Cost | Method 4<br>2023 State and Local Per Capita Cost |
|------------------------|------------|------------------------|---------------------------------------|-----------------------------------|--|
| 2024 Amount            |            | N/A                    | \$1,235,844.00                        | N/A                               | \$6,517.25                                       |
| Comparison Year Amount |            | N/A                    | \$1,238,228.51                        | N/A                               | \$6,242.93                                       |
| Difference             |            | N/A                    | (\$2,384.51)                          | N/A                               | \$274.32   |
| 2024 SPED Count        |            |                        |                                       | N/A                               | x 189.6267                                       |
| Total Difference       |            | N/A                    | (\$2,384.51)                          | N/A                               | \$52,017.64                                      |
| Status                 | <b>Met</b> | N/A                    | <b>Not Met</b>                        | N/A                               | <b>Met</b>                                       |

Back

Continue

The overall test is met in this example because the PEA has passed the Method 4 test. If the PEA submitted test results at this point, the Method 2 value would remain the 2023 AFR value of \$1,235,844.00, and the new Method 4 value would be \$6,517.25 from the 2024 AFR.

# Exception B ay apply

## Decrease in SPED Enrollment

Pending

B: Allowable Exception – Decrease in SPED Enrollment: A decrease in the enrollment of children with disabilities.

|                  |   |                |   |                        |
|------------------|---|----------------|---|------------------------|
| FY 2023 SPED 28  | - | FY 2024 SPED20 | = | SPED Student Decrease  |
| 198.3409         | - | 189.6267       | = | 8.7142                 |
| Student Decrease | X | FY 2023 PPE    | = | Total Decrease in SPED |
| 8.7142           | X | 6242.9308      | = | \$54,402.15            |

If applicable, by checking this box, you certify that this reduction reflects an accurate decrease in enrollment of students with disabilities for your local education agency. This acknowledges that you wish to use this reduction as an exception for purposes of Maintenance of Effort testing.

Save

Cancel

Back

Continue

Submission Summary

The PEA can use Exception B – Decrease in SPED Enrollment to decrease the comparison year data for methods 2 and 4 by \$54,402.15.

# Test Results with exceptions Applied

## IDEA Fund Compliance Test

Fiscal Year: 2025

Entity ID: [REDACTED]

LEA (CTDS): [REDACTED]

Status: Closed (Met)

Exception Year: 2024

|                        | Overall | Method 1<br>Local Cost | Method 2<br>2023 State and Local Cost | Method 3<br>Local Per Capita Cost | Method 4<br>2023 State and Local Per Capita Cost |
|------------------------|---------|------------------------|---------------------------------------|-----------------------------------|--|
| 2024 Amount            |         | N/A                    | \$1,235,844.00                        | N/A                               | \$6,517.25                                       |
| Comparison Year Amount |         | N/A                    | \$1,183,826.36                        | N/A                               | \$5,968.64                                       |
| Difference             |         | N/A                    | \$52,017.64                           | N/A                               | \$548.60   |
| 2024 SPED Count        |         |                        |                                       | N/A                               | x 189.6267                                       |
| Total Difference       |         | N/A                    | \$52,017.64                           | N/A                               | \$104,029.60                                     |
| Status                 | Met     | N/A                    | Met with Exceptions                   | N/A                               | Met  |

The exceptions are deducted from the comparison year amount. The PEA locks in a new compliance threshold that is \$2,384.51 lower than the 2023 AFR amount.

# Method 2 Exception Applied

## IDEA Fund Compliance Method 2

Fiscal Year: 2025

Entity ID: [REDACTED]

LEA (CTDS): [REDACTED]

Status: Closed (Met)

Exception Year: 2024

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 |
|---------------------|----------------------|
| 2024                | \$1,235,844.00       |
| 2023                | \$1,238,228.51       |
| Difference          | (\$2,384.51)         |
| 2024 Exceptions     | \$54,402.15          |
| Adjusted Difference | \$52,017.64          |
| Status              | Met with Exceptions  |

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

Back

Another way to think of exceptions is that the value is added to the original Method 2 calculation.

As the adjusted difference is greater than \$0.00, the PEA has passed the Method 2 test with Exceptions.

# Method 4 Exception applied

## IDEA Fund Compliance Method 4

Fiscal Year: 2025

Entity ID: [REDACTED]

LEA (CTDS): [REDACTED]

Status: Closed (Met)

Exception Year: 2024

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 |
|---------------------|---------------------------------|------------|---------------------------------|
| 2024                | \$1,235,844.00                  | 189.6267   | \$6,517.25                      |
| 2023                | \$1,238,228.51                  | 198.3409   | \$6,242.93                      |
| Difference          |                                 |            | \$274.32                        |
| 2024 Exceptions     | <b>\$54,402.15 / 198.3409 =</b> |            | \$274.29                        |
| Adjusted Difference |                                 |            | \$548.60                        |
| Status              |                                 |            | Met                             |

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

Back

As the original Method 4 calculation was greater than \$0.00, the Method 4 test passes with a status of Met.

The PEA would have passed method 4 even if no exceptions were applied.





# MOE Use Case #5:

---

Pass Method 2, aggregate Test

# PEA Only Met Method 2

## Compliance Test Results

[Redacted]

Pending

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

| Item                   | Overall    | Method 1<br>Local Cost | Method 2<br>2023 State and Local Cost | Method 3<br>Local Per Capita Cost | Method 4<br>2023 State and Local Per Capita Cost |
|------------------------|------------|------------------------|---------------------------------------|-----------------------------------|--|
| 2024 Amount            |            | N/A                    | \$1,744,850.00                        | N/A                               | \$8,114.09                                       |
| Comparison Year Amount |            | N/A                    | \$1,718,836.00                        | N/A                               | \$8,858.98                                       |
| Difference             |            | N/A                    | \$26,014.00                           | N/A                               | (\$744.88)                                       |
| 2024 SPED Count        |            |                        |                                       | N/A                               | x 215.0394                                       |
| Total Difference       |            | N/A                    | \$26,014.00                           | N/A                               | (\$160,179.60)                                   |
| Status                 | <b>Met</b> | N/A                    | Met                                   | N/A                               | Not Met  |

Back

Continue

The overall test is met in this example because the PEA has passed the Method 2 test. If the PEA submitted test results at this point, the Method 4 value would remain the 2023 AFR value of \$8,858.98 per pupil, and the new Method 2 value would be \$1,744,850.00 for aggregate spending.

# Exception B Does Not Apply

## IDEA Fund Compliance Method 4

[Redacted]

Pending

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 |
|-------------|----------------------|------------|---------------------------------|
| 2024        | \$1,744,850.00       | 215.0394   | \$8,114.09                      |
| 2023        | \$1,718,836.00       | 194.0219   | \$8,858.98                      |
| Difference  |                      |            | (\$744.88)                      |
| Status      |                      |            | Not Met                         |

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

[Back](#)

Exception B doesn't apply in this scenario because the SPED20 count has increased to 215.0394 students served since the comparison year 2023 value of 194.0219 students.

The PEA must submit additional exceptions to establish \$8,114.09 as the new Method 4 Compliance threshold.

# MOE Use Case #6:

---

2024 AFR value doesn't show any SPED Expenditures

# \$0 reported on AFR

## IDEA Fund Compliance Test

Fiscal Year: 2023

Entity ID: [REDACTED]

LEA (CTDS): [REDACTED]

Status: Pending

Exception Year: 2022

Calculate with allowed exceptions/reductions?

|                        | Overall        | Method 1<br>Local Cost | Method 2<br>2020 State and Local Cost | Method 3<br>Local Per Capita Cost | Method 4<br>2021 State and Local Per Capita Cost |
|------------------------|----------------|------------------------|---------------------------------------|-----------------------------------|--|
| 2022 Amount            |                | N/A                    | \$0.00                                | N/A                               | \$0.00   |
| Comparison Year Amount |                | N/A                    | \$2,996,347.00                        | N/A                               | \$11,991.33                                      |
| Difference             |                | N/A                    | (\$2,996,347.00)                      | N/A                               | (\$11,991.33)                                    |
| 2022 SPED Count        |                |                        |                                       | N/A                               | x 181.3227                                       |
| Total Difference       |                | N/A                    | (\$2,996,347.00)                      | N/A                               | (\$2,174,300.89)                                 |
| Status                 | <b>Not Met</b> | N/A                    | <b>Not Met</b>                        | N/A                               | <b>Not Met</b>                                   |

Amount Owed: \$449,031.05

Repayments: \$0.00

Balance Owed: \$449,031.05

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

(A.R.S. § 15-761)

|  | PROGRAM<br>200 & 300<br>BUDGET | PROGRAM<br>200 & 300<br>ACTUAL |     |
|--|--------------------------------|--------------------------------|-----|
| 1. Total All Disability Classifications                              | 2,803,332                      |                                | 1.  |
| 2. Gifted Education  | 0                              |                                | 2.  |
| 3. Remedial Education  | 0                              |                                | 3.  |
| 4. ELL Incremental Costs   | 0                              |                                | 4.  |
| 5. ELL Compensatory Instruction                                      | 0                              |                                | 5.  |
| 6. Vocational and Technological Education (non-CTED)                 | 0                              |                                | 6.  |
| 7. Career Education  | 0                              |                                | 7.  |
| 8. Career Technical Education (CTED programs in 300 range)           | 0                              |                                | 8.  |
| 9. Total (lines 1-8)   | 2,803,332                      | 0                              | 9.  |
| 10. IEP required pupil transportation costs coded within Program 400 | 0                              |                                | 10. |

The PEA must verify the [2024 AFR has been submitted and processed by School Finance](#). Verify there are values entered on page 7 (charters) or page 8 (districts) for All Disability Classifications and IEP-required transportation. A [revision and resubmission of the AFR are required](#).



# MOE Use Case #7:

---

PEA fails all methods, no exceptions can be applied

# MOE Failure for Methods 2 and 4

## Compliance Test Results

[Redacted]

Pending

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

| Item                   | Overall        | Method 1<br>Local Cost | Method 2<br>2023 State and Local Cost | Method 3<br>Local Per Capita Cost | Method 4<br>2021 State and Local Per Capita Cost |
|------------------------|----------------|------------------------|---------------------------------------|-----------------------------------|--|
| 2024 Amount            |                | N/A                    | \$258,761.00                          | N/A                               | \$5,385.80                                       |
| Comparison Year Amount |                | N/A                    | \$277,899.00                          | N/A                               | \$7,511.65                                       |
| Difference             |                | N/A                    | (\$19,138.00)                         | N/A                               | (\$2,125.84)                                     |
| 2024 SPED Count        |                |                        |                                       | N/A                               | x 48,0450  |
| Total Difference       |                | N/A                    | (\$19,138.00)                         | N/A                               | (\$102,136.20)                                   |
| Status                 | <b>Not Met</b> | N/A                    | <b>Not Met</b>                        | N/A                               | <b>Not Met</b>                                   |

Amount Owed: \$19,138.00  
Repayments: \$0.00  
Balance Owed: \$19,138.00

Comments

LEA Comments

The PEA acknowledges failure to meet MOE Compliance on all tests. It will close the MOE case and repay the amount owed.

Acknowledgement

By checking this box you certify that, to the best of your knowledge, this information is truthful and accurate. Your certification is considered an electronic record with legal effect, validity, and enforceability as defined in S. 2107 of the Government Paperwork Elimination Act.

# Closed Pending Repayment

IDEA Fund Compliance Test

Fiscal Year: 2025  
 Entity ID: [REDACTED]  
 LEA (CTDS): [REDACTED]  
 Status: Closed Pending Repayment  
 Exception Year: 2024

|                        | Overall | Method 1<br>Local Cost | Method 2<br>2023 State and Local Cost | Method 3<br>Local Per Capita Cost | Method 4<br>2021 State and Local Per Capita Cost |
|------------------------|---------|------------------------|---------------------------------------|-----------------------------------|--|
| 2024 Amount            |         | N/A                    | \$258,761.00                          | N/A                               | \$5,385.80                                       |
| Comparison Year Amount |         | N/A                    | \$277,899.00                          | N/A                               | \$7,511.65                                       |
| Difference             |         | N/A                    | (\$19,138.00)                         | N/A                               | (\$2,125.84)                                     |
| 2024 SPED Count        |         |                        |                                       | N/A                               | x 48.0450  |
| Total Difference       |         | N/A                    | (\$19,138.00)                         | N/A                               | (\$102,136.20)                                   |
| Status                 | Not Met | N/A                    | Not Met                               | N/A                               | Not Met  |

Amount Owed: \$19,138.00  
 Repayments: \$0.00  
 Balance Owed: \$19,138.00

At the conclusion of the MOE Compliance test, ADE/ESS will issue letters with instructions on how to submit payments for PEAs that closed the case and failed all testing methods.

PEAs will use the comparison year amounts for future MOE Eligibility and MOE Compliance values. In this example, the PEA must return to 2023 aggregate spending levels for method 2 and 2021 per capita for method 4.





# How Do Exceptions Get Applied in the MOE Test?

## Compliance Summary of Exceptions/Reductions Applied

Fiscal Year: 2024

Entity ID: [REDACTED]

LEA (CTDS): [REDACTED]

Status: Closed (Met with Exceptions)

Exception Year: 2023

| Exceptions/Reductions   |                            |                       |                         |                         |
|---|----------------------------|-----------------------|-------------------------|-------------------------|
| Description   | Exception/Reduction Amount | Total Applied Amount  | Method 2 Applied (2022) | Method 4 Applied (2022) |
| A. Special Education Staff Departures                               | \$425,000.00               | \$425,000.00          | \$425,000.00            | \$425,000.00            |
| B. Decrease in SPED Enrollment                                      | \$715,953.47               | \$715,953.47          | \$715,953.47            | \$715,953.47            |
| 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>\$1,140,953.47</b>      | <b>\$1,140,953.47</b> | <b>\$1,140,953.47</b>   | <b>\$1,140,953.47</b>   |

# Example: Met with Exceptions

## IDEA Fund Compliance Test

Fiscal Year: 2024

Entity ID: [REDACTED]

LEA (CTDS): [REDACTED]

Status: Closed (Met with Exceptions)

Exception Year: 2023

|                        | Overall                    | Method 1<br>Local Cost | Method 2<br>2022 State and Local Cost | Method 3<br>Local Per Capita Cost | Method 4<br>2022 State and Local Per Capita Cost |
|------------------------|----------------------------|------------------------|---------------------------------------|-----------------------------------|--|
| 2023 Amount            |                            | N/A                    | \$642,651.00                          | N/A                               | \$5,994.32                                       |
| Comparison Year Amount |                            | N/A                    | \$526,768.53                          | N/A                               | \$2,804.09                                       |
| Difference             |                            | N/A                    | \$115,882.47                          | N/A                               | \$3,190.23                                       |
| 2023 SPED Count        |                            |                        |                                       | N/A                               | x 107.2100                                       |
| Total Difference       |                            | N/A                    | \$115,882.47                          | N/A                               | \$342,024.33                                     |
| 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: 2024

Entity ID: [REDACTED]

LEA (CTDS): [REDACTED]

Status: Closed (Met with Exceptions)

Exception Year: 2023

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 |
|---------------------|----------------------|
| 2023                | \$642,651.00         |
| 2022                | \$1,667,722.00       |
| Difference          | (\$1,025,071.00)     |
| 2023 Exceptions     | \$1,140,953.47       |
| Adjusted Difference | \$115,882.47         |
| Status              | Met with Exceptions  |

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

# Method 4: Exceptions Applied

## IDEA Fund Compliance Method 4

Fiscal Year: 2024

Entity ID: [REDACTED]

LEA (CTDS): [REDACTED]

Status: Closed (Met with Exceptions)

Exception Year: 2023

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 |
|---------------------|-------------------------------|------------|---------------------------------|
| 2023                | \$642,651.00                  | 107.2100   | \$5,994.32                      |
| 2022                | \$1,667,722.00                | 187.8571   | \$8,877.61                      |
| Difference          |                               |            | (\$2,883.29)                    |
| 2023 Exceptions     | $\$1,140,953.47 / 187.8571 =$ |            | \$6,073.52                      |
| Adjusted Difference |                               |            | \$3,190.23                      |
| Status              |                               |            | Met with Exceptions             |

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

# Example of Exceptions Applied and MOE Failure

## Compliance Summary of Exceptions/Reductions Applied

Fiscal Year: 2022

Entity ID: [REDACTED]

LEA (CTDS): [REDACTED]

Status: Closed (Not Met)

Exception Year: 2021

| Exceptions/Reductions   |                            |                      |                         |                         |
|---|----------------------------|----------------------|-------------------------|-------------------------|
| Description   | Exception/Reduction Amount | Total Applied Amount | Method 2 Applied (2020) | Method 4 Applied (2019) |
| A. Special Education Staff Departures                               | \$0.00                     | \$0.00               | \$0.00                  | \$0.00                  |
| B. Decrease in SPED Enrollment                                      | \$2,221.86                 | \$2,221.86           | \$2,221.86              | \$2,221.86              |
| 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>\$2,221.86</b>          | <b>\$2,221.86</b>    | <b>\$2,221.86</b>       | <b>\$2,221.86</b>       |

# Method 2 Adjusted Amount Due

## IDEA Fund Compliance Method 2

Fiscal Year: 2022

Entity ID: [REDACTED]

LEA (CTDS): [REDACTED]

Status: Closed (Not 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                | \$61,595.00          |
| 2020                | \$67,703.00          |
| Difference          | (\$6,108.00)         |
| 2021 Exceptions     | \$2,221.86           |
| Adjusted Difference | (\$3,886.14)         |
| Status              | Not Met              |

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

# Method 4 Adjusted Amount Due

## 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                         |

# MOE Failure and Amount Owed

## IDEA Fund Compliance Test

Fiscal Year: 2022

Entity ID: [REDACTED]

LEA (CTDS): [REDACTED]

Status: Closed (Not Met)

Exception Year: 2021

|                        | Overall        | Method 1<br>Local Cost | Method 2<br>2020 State and Local Cost | Method 3<br>Local Per Capita Cost | Method 4<br>2019 State and Local Per Capita Cost |
|------------------------|----------------|------------------------|---------------------------------------|-----------------------------------|--|
| 2021 Amount            |                | N/A                    | \$61,595.00                           | N/A                               | \$3,711.59                                       |
| Comparison Year Amount |                | N/A                    | \$65,481.14                           | N/A                               | \$3,832.79                                       |
| Difference             |                | N/A                    | (\$3,886.14)                          | N/A                               | (\$121.19)                                       |
| 2021 SPED Count        |                |                        |                                       | N/A                               | x 16.5953  |
| Total Difference       |                | N/A                    | (\$3,886.14)                          | N/A                               | (\$2,011.25)                                     |
| Status                 | <b>Not Met</b> | N/A                    | <b>Not Met</b>                        | N/A                               | <b>Not Met</b>                                   |

Amount Owed: \$2,011.25

Repayments: \$2,011.25

Balance Owed: \$0.00



# 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: 2024  
 Entity ID: [REDACTED]  
 LEA (CTDS): [REDACTED]  
 Status: Closed (Met)  
 Exception Year: 2023

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 |
|-------------|----------------------|
| 2023        | \$397,528.00         |
| 2022        | \$397,017.00         |
| Difference  | \$511.00             |
| 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 FY25 IDEA Maintenance of Effort Compliance test, March 2025. |                 |                         |            |                 |
| FY25 MOE Compliance Method 2 Value:  | \$ 4,287,169.00 |                         |            |                 |
| FY25 MOE Compliance Method 4 Value:  | \$ 11,256.00    | x SPED20 Count for FY25 | 587.1597 = | \$ 6,609,069.58 |
| MOE Compliance Standard  | \$ 4,287,169.00 |                         |            |                 |
| Enter this value in cell C4 and E4   |                 |                         |            |                 |

# Planning Available Funds and How to Spend in FY26

| 2025-2026 Budget                             | PEA Name        | Expiration of funds | What PEA currently has budgeted (03/01/2025) |
|--|-----------------|---------------------|--|
|  | Amount for FY26 |                     |  |
| State M&O Budget                             | \$ 4,287,169.00 | 6/30/2026           | \$ 4,287,169.00                              |
| Section 611 FY25 Carryover                   |                 | 9/30/2026           |  |
| Section 619 FY25 Carryover                   |                 | 9/30/2026           |  |
| Section 611 FY26                             | \$ 759,127.69   | 9/30/2027           |  |
| Section 619 FY26                             | \$ 24,298.33    | 9/30/2027           |  |
|  |                 |                     |  |
|  |                 |                     |  |
| Total Available to Spend                     | \$ 5,070,595.02 |                     | \$ 4,287,169.00                              |
| Federal Dollars                              | \$ 783,426.02   |                     | \$ -   |
| Section 611 ages 3-21                        | \$ 759,127.69   |                     | \$ -   |
| Section 619 ages 3-5, including Kindergarten | \$ 24,298.33    |                     | \$ -   |

State & Local funds that must be spent to maintain MOE Compliance

Carryover must be spent by 9/30/26 or it will be forfeited to US Department of Education

Carryover must be spent by 9/30/26 or it will be forfeited to US Department of Education

Normal IDEA activities, 100% of this grant can roll over to FY27

Normal IDEA activities, 100% of this grant can roll over to FY27

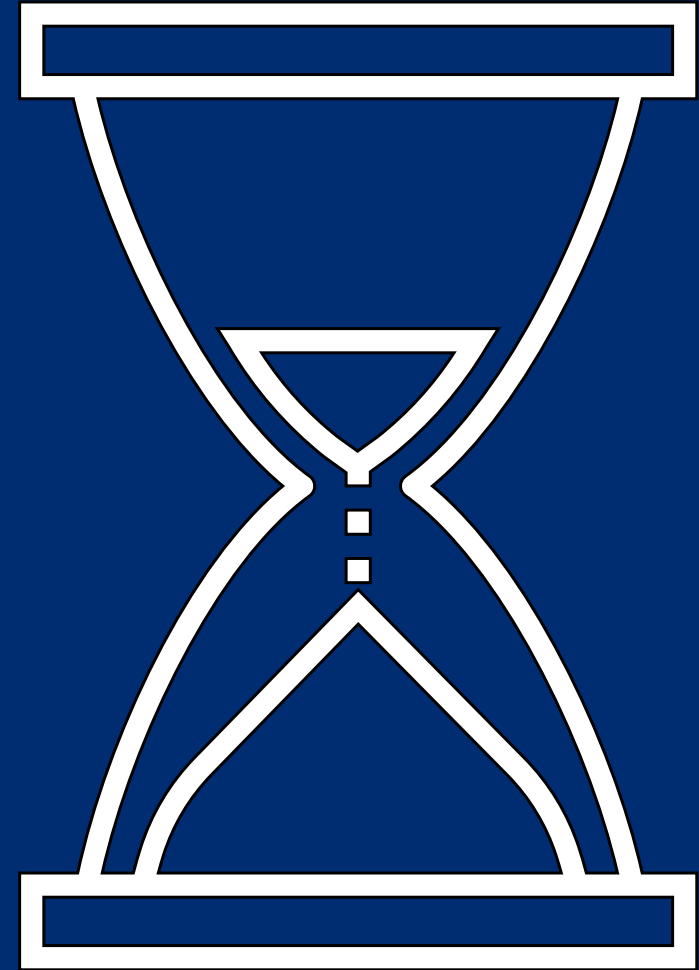
# How Does a SPED Director Plan a Budget?

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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
  - ESS Claims (High-Cost Child)

## How Does a PEA Prioritize Funding?

1. State and local funds (M&O funds that are used to calculate Maintenance of Effort)
2. IDEA Section 619 carryover
3. IDEA Section 611 carryover
4. IDEA Section 619 current year allocation
5. IDEA Section 611 current year allocation
6. ESS Claims Funds (High-Cost Child)



## Excess Cost Requirements for IDEA

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Excess costs are those costs for the education of an elementary school or secondary school student with a disability that are in excess of the average annual per student expenditure in a PEA during the preceding school year for an elementary or secondary school student. The PEA must spend at least the average annual per student expenditure on the education of an elementary school or secondary school child with a disability before funds under Part B of the Act are used to pay the excess costs for providing special education and related services.

Only allowed costs may be charged to the IDEA grants.

How does the PEA determine which fund should be used to pay for a SPED Cost?

Questions to consider:

Is the PEA on track to meet MOE Compliance thresholds?

Is the cost billable for Medicaid-school-based claims?

Is the PEA planning to submit claims for HCC?

Is it a vacant position the PEA intends to fill during the fiscal year?

# IDEA MOE: Compliance vs. Eligibility

|                        | <b>FY25 Compliance</b>   | <b>FY25 Eligibility</b>  |
|------------------------|--|--|
| Testing Window         | March 1-31, 2025   | July 18-August 16, 2025  |
| Testing Year Data      | 2024 Annual Financial Report<br>All Disability Classifications and IEP-Required Transportation M&O Only        | 2026 Adopted Budget<br>All Disability Classifications and IEP-Required Transportation M&O Only                                     |
| Comparison Year Data   | Last MOE Compliance Standard for each methodology (AFR)  | Last MOE Compliance Standard for each methodology (AFR)  |
| Consequence of failure | PEA will have to return the amount it failed MOE Compliance, or IDEA funds received in FY24, whichever is less | Delayed substantial approval date for FY26 IDEA grants (Unable to charge the grant from 7/1/2025 until eligibility is established) |






# Resources



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# Book an Appointment with ESS Program Management (duplicate slide)

Book time with Trainor, Candice:  
FY25 IDEA Maintenance of Effort Testing

Choose a meeting type

 **FY25 IDEA Maintenance of Effort Testing**  
30 MIN  
Spend 30 minutes with ESS Program Management to discuss the MOE test results for your PEA. When setting up the appointment, please include your PEA...

Available times ✔ You are available  

March 2025 ↑ ↓

| S  | M  | T  | W  | T  | F  | S  |
|----|----|----|----|----|----|----|
| 23 | 24 | 25 | 26 | 27 | 28 | 1  |
| 2  | 3  | 4  | 5  | 6  | 7  | 8  |
| 9  | 10 | 11 | 12 | 13 | 14 | 15 |
| 16 | 17 | 18 | 19 | 20 | 21 | 22 |
| 23 | 24 | 25 | 26 | 27 | 28 | 29 |
| 30 | 31 | 1  | 2  | 3  | 4  | 5  |

Today

Tuesday, March 18

|                      |          |   |
|----------------------|----------|---|
| <input type="text"/> | 11:00 AM | ✔ |
| <input type="text"/> | 12:00 PM | ✔ |
| <input type="text"/> | 12:15 PM | ✔ |
| <input type="text"/> | 2:15 PM  | ✔ |
| <input type="text"/> | 2:30 PM  | ✔ |

Spend 30 minutes with ESS Program Management to discuss the MOE Compliance test results for your PEA. When setting up the appointment, please include your PEA name and CTDS number or Entity ID. Also, feel free to forward your meeting invitation to your colleagues responsible for the IDEA grants or Annual Financial Report submission.




Book FY25 IDEA Maintenance of Effort Testing ✕

Tue 3/18/2025 12:00 PM - 12:30 PM  
(UTC-07:00) Arizona

Name \*

Email \*

Notes

**Book**

# ESS Program Management Webinars

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- Special Education Funding: How, When, and In What Order to Spend? [April 8, 2025](#)
- Fiscal Year Wrap-Up [May 13, 2025](#)

# Program Management Office Hours

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## **ESS Office Hours**

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

[March 18, 2025](#)

[April 15, 2025](#)

[May 20, 2025](#)

# Contact Us

ESS Program Management:  
[www.azed.gov/specialeducation/operations](http://www.azed.gov/specialeducation/operations)

ESS Program Management  
Inbox: [essprogmgmt@azed.gov](mailto:essprogmgmt@azed.gov)

Director of Finance:  
[Candice Trainor](#) 602-542-3398

| PEA Name Starts With | Program Specialist              | Number       |
|----------------------|---------------------------------|--------------|
| A - B, V - Z         | <a href="#">Nancy Chavarin</a>  | 602-542-3270 |
| C - H                | <a href="#">Maria Durazo</a>    | 602-542-3057 |
| I - M                | <a href="#">Tanya Rodriguez</a> | 602-542-4610 |
| N - U                | <a href="#">Carol Bush</a>      | 602-542-0709 |