
June 24, 2009

CDE Recovery Act Alert #9

Dwight D. Jones, Commissioner

TO: Special Education Directors
Superintendents
Executive Directors of Boards of Cooperative Services

FROM: Ed Steinberg, Special Education Assistant Commissioner
Charm Paulmeno, Special Education Director

DATE: June 24, 2009

SUBJECT: Maintenance of Effort (MOE) Under the Individuals with Disabilities Education Act (IDEA)

We have received many questions about maintenance of effort (MOE). Many of these questions are answered in questions D-6 through D-12 of the guidance document from the U.S. Department of Education, Office of Special Education and Rehabilitation Services which can be found on our Web site <http://www.ed.gov/policy/gen/leg/recovery/guidance/idea-b.pdf>.

We have sought and received additional guidance from the U.S. Department of Education on this topic and are including additional questions and answers to guide you as you prepare your applications for IDEA funding (both regular and ARRA).

Does the determination the administrative unit receives from CDE on the IDEA compliance indicators impact the ability of the unit to utilize the MOE flexibility?

An administrative unit must receive a determination of "Meets Requirements" in order to reduce its state and local support of special education by up to 50 percent of the increased IDEA dollars.

If an administrative unit does not use all of the 50 percent reduction in 2009-10, can it choose to use 50 percent of the funds to reduce MOE in 2010-11?

No. IDEA no longer allows MOE to apply to carryover used in the second year of the allocation. This applies to both the regular and ARRA funds.

June 24, 2009

Does MOE apply to IDEA, Section 619 Preschool funds?

No. Maintenance of Effort is only included under Part B of the IDEA, and is not a provision under the Preschool regulations.

How does an administrative unit use IDEA funds to reduce its state and local support of special education?

The administrative unit will budget things that were previously paid for with state or local funds to the IDEA budget, thus “freeing up” state and local funds for non-special education expenditures. If your unit is billing for Medicaid services, do not move any Medicaid providers to federal funds or it will impact your Medicaid funding.

Are there any reporting requirements for the MOE reduction?

If an administrative unit uses IDEA funds to reduce its MOE, it will be required to report a breakdown of how the “freed-up” state and local funds were used for activities authorized under the Elementary and Secondary Education Act (ESEA) of 1965. This must include a description of the activities as well as a breakdown of the costs.

If you have any additional questions, please contact Charm Paulmeno at paulmeno_c@cde.state.co.us.