

# MAINTENANCE OF EFFORT

## Federal Cross-Cutting



# What is the Federal Cross-Cutting Maintenance of Effort (Fed CC-MOE)?

A presumption that state and/or local resources spent on programs is consistent between years.

The Federal resources provided for a program should not lead to a decline in the amount of state or local resources provided for the same program.

# What is Maintenance of Effort?

It applies to any Federal program with “supplement, not supplant” requirements.

There are potential financial consequences for failure to meet Maintenance of Effort (MoE) requirements.

# MOE Tests

OSPI annually performs the MOE tests, based on final submission of F-196 data.

The results are communicated with program-related OSPI staff as well as districts who did not maintain effort.

A preliminary model is available on SAFS website at [Tools and Forms](#).

# Maintenance of Effort on the F-196

Report F196			XXXXX School District						
E.S.D. ###			Preliminary Federal Cross-Cutting Maintenance of Effort						
County: ##			Fiscal Year 2022–2023						
Description	Operation	FY 22-23		FY 21-22		FY 22-23		FY 21-22	
		F-196	F-196	Food Services Deficit Calculation					
Total Expenditures	+ (plus)			Total Program 98 Exp'd	+				
Community Services (Program 80 Series)	- (minus)			All Food Service Revenues	-				
Debt Services (Activities 83, 84, 85: <u>Obj 7</u> )	- (minus)			Total Food Svcs Deficit	=	<b>\$A,xyz</b>	<b>\$B,xyz</b>		
Capital Outlay (All Object 9)	- (minus)			<p>Note: If Total Food Service Deficit is a positive amount, it is added to the total aggregate expenditures. If Total Food Service Deficit is a negative amount, zero dollars are displayed.</p>					
Federal Revenues (Rev 5XXX & 6XXX)	- (minus)								
Add Back <u>Food Service</u> Deficit	+ (plus)	<b>\$A,xyz</b>	<b>\$B,xyz</b>						
Add Back <u>Food Service</u> Federal Revenues	+ (plus)								
Add Back Federal & Comm Svcs <u>Capital Outlay</u>	+ (plus)								
<b>Total Expenditures for Preliminary MOE</b>	<b>= (equals)</b>	<b>\$A,xxx,xxx</b>	<b>\$B,xxx,xxx</b>						

# Cross-Cutting Statutory Authority: Title 34 CFR § 299.5

## What maintenance of effort requirements apply to ESEA programs?

- (a) **General.** An LEA receiving funds under an applicable program listed in [paragraph \(b\)](#) of this section may receive its full allocation of funds only if the SEA finds that either the combined fiscal effort per student or the aggregate expenditures of State and local funds with respect to the provision of free public education in the LEA for the preceding fiscal year was not less than 90 percent of the combined fiscal effort per student or the aggregate expenditures for the second preceding fiscal year.



# 34 CFR § 299.5 ¶(a)

“what it says”...

The school district’s current year aggregate or per-pupil expenditures for state and local funds need to be at least 90% of the prior year expenditures to “maintain effort”.

Or:  $(\text{FY } 2022\text{-}23 / \text{FY } 2021\text{-}22) \geq 0.90$



# 34 CFR § 299.5 ¶(d)

## Cross-Cutting Expenditures

Only expenditures from state/local funds may be used.

- Including administration, instruction, health services, pupil transportation, facility maintenance and operations, and net expenditures to cover food service deficits.

May not include:

- Community services,
- Capital outlay,
- Debt service,
- Expenditures from funds provided by the Federal government.



# ESEA Programs tied to Fed CC MOE Rules

Title 34 CFR § 299.5 ¶ (b)

- 1. Part A of Title I**
  - (Improving Basic Programs Operated by Local Educational Agencies).
- 2. Part D of Title I**
  - (Prevention and Intervention Programs: Children/Youth Who Are Neglected, Delinquent, or At Risk).
- 3. Part A of Title II**
  - (Supporting Effective Instruction).
- 4. Part A, subpart 1 of Title III**
  - (English Language Acquisition, Language Enhancement, and Academic Achievement),
    - except for section 3112.
- 5. Part A of Title IV**
  - (Student Support and Academic Enrichment Grants).
- 6. Part B of Title IV**
  - (21st Century Community Learning Centers).
- 7. Part B, subpart 2 of Title V**
  - (Rural and Low-Income School Program).
- 8. Part A, subpart 1 of Title VI**
  - (Indian Education Formula Grants to Local Educational Agencies).



# First Consequence of Failure

If a district does not meet the 90% threshold and no waiver is granted, the district's current year Federal allocations for applicable programs will be reduced by the failure percentage.

For example, a district's higher cross-cutting test (aggregate vs. per-pupil) is 87%. Their Federal allocations must be reduced by 3% (90% - 87%).

# Second Consequence of Failure

In the year following the failure, the district must maintain effort compared against the level of effort the district *would have needed* to maintain effort in the year of failure.

Example:

Year 1, MoE aggregate value \$1,000,000.

Year 2, MoE aggregate value \$870,000 (87%).

Year 3, MoE aggregate is tested against \$900,000.

# Waivers

A waiver **may** be granted for either of the following:

- Exceptional or uncontrollable circumstances such as a natural disaster.
- A precipitous decline in the financial resources of the district.