



1029 – IDEA Maintenance of Effort Procedures

The purpose of this document is to provide information to Tennessee Public Charter School Commission (Commission) authorized charter schools regarding procedures for ensuring compliance with the Maintenance of Effort (MOE) requirement under the Individuals with Disabilities Education Act (IDEA).

Maintenance of Effort Requirements

To meet the Maintenance of Effort requirement under IDEA, the Commission requires all authorized schools to demonstrate that the level of local and state funding used to serve students with disabilities remains constant or increases from year to year. Failure to meet MOE requirements may result in the LEA losing eligibility to receive IDEA formula funding and schools may be required to repay funds, using a non-federal source, to the Commission. Charter management organizations or networks with multiple schools authorized by the Commission may consolidate maintenance of effort reporting for all schools authorized by the Commission. Organizations must demonstrate Maintenance of Effort through one of the following methods:

1. Total Special Education Expenditures: The total amount of general purpose (state/local) funds the school expended on special education activities in the current fiscal year is greater than or equal to the total amount of general purpose (state/local) funds the school expended on special education activities in the preceding fiscal year; or
2. Per-Pupil Special Education Expenditures: The amount of general purpose (state/local) funds the school expended on special education activities divided by the number of students with disabilities (federal categories only) in the current fiscal year is greater than or equal to the amount of general purpose (state/local) funds the school expended on special education activities divided by the number of students with disabilities (federal categories only) in the preceding fiscal year.

The above methodology shall be applied to schools or networks' General Purpose Special Education (GP SPED) budgets as well as Special Education Expenditure Reports (SEER) to ensure that schools meet both the eligibility and compliance Maintenance of Effort requirements to receive federal IDEA funds.

Charter School Responsibilities

General Purpose Funds Budget for Special Education (GP SPED)

Each authorized charter school operator is required to budget an appropriate amount of general purpose (state/local) funds to implement a special education program compliant with federal and state regulations. Operators shall submit their GP SPED budgets to the Commission in April



of each year to be included in the Commission's Consolidated Funding Application for the following fiscal year. The GP SPED budget shall include only special education activities to be funded by general purpose (state/local) dollars. Activities to be funded by federal grants shall be excluded from the GP SPED budget. Operators with schools authorized by one or more LEA must ensure that budgeted expenditures reflect only Commission schools. School/networks GP SPED budgets must meet the Maintenance of Effort requirement using one of the two methodologies described above to demonstrate eligibility for receiving federal IDEA funds.

Special Education Expenditure Report (SEER)

Authorized charter schools shall report final GP SPED expenditures using the Special Education Expenditure Report (SEER) at the conclusion of each fiscal year. The SEER shall include only special education expenditures funded by general purpose (state/local) dollars and shall exclude any expenditures funded by federal or state grants. School SEERs must meet the Maintenance of Effort requirement using one of the two methodologies described above to demonstrate compliance with the IDEA Maintenance of Effort requirement.

Controls and Recordkeeping Requirements

Authorized charter schools must maintain accurate and up-to-date records of general purpose special education expenditures. Schools are also responsible for maintaining adequate controls and systems to ensure expenditures are properly recorded and documented. Charter schools are responsible for maintaining records that demonstrate the expenditures are not "double counted" under both GP funds and any federal funding streams, which may be reviewed during monitoring.

District Responsibilities

GP SPED Monitoring and Reporting

The Commission shall review all school GP SPED budgets upon submission to ensure the Maintenance of Effort eligibility requirement is met using one of the two methodologies described above and to ensure budgeted expenditures are appropriate. School GP SPED budgets shall be included in the LEA GP SPED budget submitted annually to the Tennessee Department of Education through the Consolidated Funding Application.

Schools shall report their general purpose special education year-to-date expenditures on at least a semi-annual basis. Any school determined to be at risk of failing to meet the MOE compliance requirement based on GP SPED reporting may be required to adjust federal or state grant budgets to move special education expenditures to the general purpose budget. School



SEERs shall be included in the LEA SEER submitted annually to the Tennessee Department of Education through the Consolidated Funding Application.

Commission staff may conduct additional audits of fiscal records, including general purpose special education expenditures, during on-site or other fiscal monitoring.

Schools that fail to demonstrate compliance with the IDEA Maintenance of Effort requirement through either of the two methodologies described above may be required to repay the total amount of the deficit to the LEA for repayment to the Tennessee Department of Education and US Department of Education.