



Federal Programs: Maintenance of Effort

FEDPRO-3: MOE
Updated December 2023

Garfield County School District (GCSD) provides assurances that it will expend and account for Federal awards in accordance with Federal and State law and USBE Rules, including compliance with the USBE published chart of accounts. GCSD provides assurance that they comply with the provisions of 200.302 and meets the minimum standards established in section (b)(1)-(7) including:

- 1) identification, and accurate, current, and complete disclosure, of federal awards and expenditures - including records of such;
- 2) effective control over all funds, property, and other assets purchased with Federal funds, including adequately safeguarding all assets and ensuring they are used solely for authorized purposes;
- 3) establishment of written procedures to
 - 1) implement cash management requirements and
 - 2) for the determination of allowability of costs in accordance with 2 CFR 200 Subpart E- Cost Principles parts 400-475;

Maintenance of Effort Policy & Procedure

USE OF PART B FEDERAL FUNDS BY THE LEA (34 CFR §§ 300.200–206, 208)

1. GCSD submits a plan that provides assurances to the USBE that GCSD meets each of the conditions in Rules IX.B (34 CFR § 300.200).
2. GCSD has in effect policies, procedures, and programs that are consistent with the State policies and procedures established in the Rules (34 CFR § 300.201).
3. Use of amounts (34 CFR § 300.202). GCSD has on file with the USBE staff information to demonstrate that amounts provided to the LEA under Part B of the IDEA:
 - a. Will be expended in accordance with the applicable provision of the Rules.
 - b. Will be used only to pay the excess costs of providing special education and related services to students with disabilities consistent with the Rules; and
 - c. Will be used to supplement State, local, and other Federal funds and not to supplant those funds.
4. The excess cost requirement prevents GCSD from using funds provided under Part B of the IDEA to pay for all of the costs directly attributable to the education of a student with a disability.
5. GCSD meets the excess cost requirement if it has spent at least a minimum average amount for the education of its students with disabilities before funds under Part B of the IDEA are used.
6. Maintenance of effort (34 CFR § 300.203).
 - a. Eligibility standard.
 - (1) For purposes of establishing GCSD's eligibility for an award for a fiscal year, the USBE must determine that GCSD budgets for the education of students with disabilities for at least the same amount, from at least one of the following sources, as GCSD spent for that purpose from the same source for the most recent fiscal year for which information is available:
 - (a) Local funds only;
 - (b) The combination of State and local funds;
 - (c) Local funds only on a per capita basis; or
 - (d) The combination of State and local funds on a per capita basis.
 - (2) When determining the amount of funds that GCSD must budget to meet the requirement in paragraph Rules IX.B.6.a.(1), GCSD may take into consideration, to the extent the information is available, the exceptions and adjustment provided in 34 CFR §§ 300.204 and 300.205 that GCSD:
 - (a) Took in the intervening year or years between the most recent fiscal year for which information is available and the fiscal year for which GCSD is budgeting; and
 - (b) Reasonably expects to take in the fiscal year for which GCSD is budgeting.



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(3) Expenditures made from funds provided by the Federal government for which the SEA is required to account to the Federal government or for which GCS&DO is required to account to the Federal government directly or through the USBE may not be considered in determining whether GCS&DO meets the standard in Rules IX.B.6.a.(1).

b. Compliance standard.

(1) Except as provided in 34 CFR §§ 300.204 and 300.205, funds provided to GCS&DO under Part B of the IDEA will not be used to reduce the level of expenditures for the education of students with disabilities made by the LEA from local funds below the level of those expenditures for the preceding fiscal year.

(2) GCS&DO meets this standard if it does not reduce the level of expenditures for the education of students with disabilities made by GCS&DO from at least one of the following sources below the level of those expenditures from the same source for the preceding fiscal year, except as provided in 34 CFR §§ 300.204 and 300.205:

(a) Local funds only;

(b) The combination of State and local funds;

(c) Local funds only on a per capita basis; or (d) The combination of State and local funds on a per capita basis.

(3) Expenditures made from funds provided by the Federal government for which the SEA is required to account to the Federal government or for which GCS&DO is required to account to the Federal government directly or through the USBE may not be considered in determining whether GCS&DO meets the standard of Rules IX.B.6.b.(1) and IX.B.6.b.(2).

c. Subsequent years.

(1) If, in the fiscal year beginning on July 1, 2013 or July 1, 2014, GCS&DO fails to meet the requirements of 34 CFR § 300.203 in effect at that time, the level of expenditures required of GCS&DO for the fiscal year subsequent to the year of the failure is the amount that would have been required in the absence of that failure, not GCS&DO's reduced level of expenditures.

(2) If, in any fiscal year beginning on or after July 1, 2015, GCS&DO fails to meet the requirement of Rules IX.B.6.b.(2)(a) or IX.B.6.b.(2)(c) and GCS&DO is relying on local funds only, or local funds only on a per capita basis, to meet the requirements of the Rules IX.B.6.a or IX.B.6.b, the level of expenditures required of GCS&DO for the fiscal year subsequent to the year of the failure is the amount that would have been required under Rules IX.B.6.b.(2)(a) or IX.B.6.b.(2)(c) in the absence of that failure, not GCS&DO's reduced level of expenditures.

(3) If, in any fiscal year beginning on or after July 1, 2015, GCS&DO fails to meet the requirement of Rules IX.B.6.b.(2)(b) or IX.B.6.b.(2)(d) and GCS&DO is relying on the combination of State and local funds, or the combination of State and local funds on a per capita basis, to meet the requirements of Rules IX.B.6.a or IX.B.6.b, the level of expenditures required of GCS&DO for the fiscal year subsequent to the year of the failure is the amount that would have been required under Rules IX.B.6.b.(2)(b) or IX.B.6.b.(2)(d) in the absence of that failure, not GCS&DO's reduced level of expenditures.

d. Consequence of failure to maintain effort.

(1) If GCS&DO fails to maintain its level of expenditures for the education of students with disabilities in accordance with Rules IX.B.6.b, the USBE is liable in a recovery action under section 452 of the General Education Provisions Act (20 USC § 1234a) to return to the Department, using non-Federal funds, an amount equal to the amount by which GCS&DO failed to maintain its level of expenditures in accordance with Rules IX.B.6.b. in that fiscal year, or the amount of GCS&DO's Part B subgrant in that fiscal year, whichever is lower.

(2) If the USBE is required to return funds to the Department because of GCS&DO's failure to meet the Maintenance of Effort requirement, the USBE shall reduce the amount provided to GCS&DO's Minimum School Program (MSP) Basic Program on a 1/12 basis.

7. Exception to maintenance of effort (34 CFR § 300.204). GCS&DO may reduce the level of expenditures by GCS&DO under Part B of the IDEA 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 students with disabilities.

c. The termination of the obligation of GCS&DO, consistent with this part, to provide a program of special education to a particular student with a disability that is an exceptionally costly program, as determined by the USBE staff, because the student:



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- (1) Has left the jurisdiction of GCSD;
 - (2) Has reached the age at which the obligation of GCSD to provide a FAPE to the student 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 (i.e., Intensive Services fund) fund operated by the USBE staff.
8. Adjustment to local fiscal efforts in certain fiscal years (34 CFR § 300.205).
 - a. For any fiscal year for which the allocation received by GCSD under Part B of the IDEA exceeds the amount the LEA received for the previous fiscal year, GCSD may reduce the level of expenditures otherwise required by maintenance of efforts requirements by not more than 50 percent of the amount of that excess.
 - b. Use of amounts to carry out activities under ESEA/ESSA. If GCSD exercises the authority to reduce the level of expenditures due to an increase in Part B funds, GCSD must use an amount of local funds equal to the reduction in expenditures to carry out activities that could be supported with funds under the ESEA/ESSA, regardless of whether GCSD is using funds under the ESEA/ESSA for those activities.
 - c. The USBE staff must prohibit GCSD from reducing the level of expenditures for a fiscal year, if the USBE staff determines that:
 - (1) GCSD is unable to establish and maintain programs of FAPE that meet the requirements of Part B of the IDEA, or
 - (2) The USBE staff has taken action against GCSD under Section 616 of the IDEA and subpart F of the regulations (Monitoring, Technical Assistance, and Enforcement).
 - d. The amount of funds expended by GCSD for mandatory or voluntary Coordinated Early Intervening Services (CEIS) shall count toward the maximum amount of expenditures that GCSD may reduce under the requirements of this section.
9. If the USBE staff determines that GCSD is not meeting the requirements of the Rules, the USBE staff may prohibit GCSD from treating funds received under Part B of the IDEA as local funds under this section for any fiscal year, but only if it is authorized to do so by the State constitution or State statute.
10. School-wide programs under Title I of the ESEA/ESSA (34 CFR § 300.206).
 - a. GCSD may use funds received under Part B of the IDEA for any fiscal year to carry out a school-wide program under section 1114 of the ESEA/ESSA, except that the amount used in any school-wide program may not exceed the amount received by the LEA under Part B of the IDEA for that fiscal year:
 - (1) Divided by the number of students with disabilities in the jurisdiction of the LEA; and
 - (2) Multiplied by the number of students with disabilities participating in the schoolwide program.
 - b. The funds described in this section must be considered as Federal Part B funds for purposes of the calculations required for excess costs and supplanting.
 - c. The funds may be used without regard to the requirements of 34 CFR § 300.202(a)(1) of the IDEA.
 - d. All other requirements of Part B of the IDEA must be met by GCSD using Part B funds for school-wide programs under section 1114 of the ESEA/ESSA, including ensuring that students with disabilities in school-wide program schools:
 - (1) Receive services in accordance with a properly developed IEP; and
 - (2) Are afforded all the rights and services guaranteed to students with disabilities under Part B of the IDEA. IX.C.