

Title I Maintenance of Effort

Max Lang, ESEA Programs and Related State Initiatives

- max.lang@schools.utah.gov – (801) 538-7725

Merilee Wendell, Title I Fiscal Monitor

- merilee.wendell@schools.utah.gov – (801) 538-7977

Clint Hoke, Fiscal Support

- clint.hoke@schools.utah.gov - (801) 538-7805

Title MOE is not the same as SPED MOE

- Passing SPED MOE does not mean you pass Title MOE
- Title MOE is calculated differently
- New Title procedures - Starting with FY25, when MOE for Title is calculated, any LEA not meeting MOE will be notified by letter from USBE
- Only the second year of failure to meet MOE out of the preceding five years requires a reduction/repayment in funds

Applicable programs

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

Title I Maintenance of Effort (ESEA SEC 8521)

MOE is a requirement under the ESEA that ensures LEAs maintain a consistent level of state and local funding for education from year to year.

- **Purpose:** The MOE requirement ensures that federal funds supplement, rather than replace, state and local funding for education.
- **Requirement:** LEAs must spend at least 90% of the amount of state and local funds they spent in the previous fiscal year on education.

MOE Key Points

- **Calculation:** The MOE is calculated based on either the combined per pupil expenditures or the aggregate expenditures of the LEA.
- **Compliance:** If an LEA fails to meet the MOE requirement, its Title I, Part A funds (and other associated funds) may be reduced proportionately.
 - Waiver: There are certain exceptions and allowances for LEAs that experience significant changes in their financial circumstances.
 - The MOE exceptions must be approved by the Department of Education.

MOE can be satisfied by an LEA in one of the following two ways:

1. By looking at the amount the LEA has expended in non-federal expenditures two years previously, taking 90% of that amount, the results must be greater than or equal to the amount spent in the previous year for the LEA to have met MOE for the current year; or
2. By looking at the amount the LEA has expended per pupil in non-federal expenditures two years previously, taking 90% of that amount, the results must be greater than or equal to the per pupil cost of the amount spent in the previous year for the LEA to have met MOE in funds for the current year.

MOE Five-Year Flexibility Rule (SEC. 8521(b)(1))

An SEA must reduce an LEA's allocation under a covered program if the LEA fails to maintain effort in a given fiscal year and failed to maintain effort in one or more of the five immediately preceding fiscal years.

Example: if an LEA is found noncompliant for FY 2025, USBE will look back to FYs 2020, 2021, 2022, 2023, and 2024 (the five preceding fiscal years) to determine if the LEA failed in any of those five years.

- If the LEA is compliant in all those five preceding years, then the LEA's next allocations for the covered programs will not be reduced. An LEA that is newer than 5 years must have been compliant for all those years to be eligible for this flexibility.
- If the LEA is noncompliant in any of those five preceding years, then the LEA's funds for the covered programs will be reduced/repayment required.
- USBE will use the lower of the two percentages (total expenditures & per pupil) to calculate the actual percentage of decrease for the current year.