



Maine Department of Education

Maintenance of Effort (MOE)

Purpose: This procedure is utilized to calculate and ensure SAUs have met the required Maintenance of Fiscal Effort (MOE) in accordance with §8521 of ESSA.

Areas of Responsibility: The ESEA federal programs team must complete the process below to ensure SAUs have maintained fiscal effort or if not, to determine the percentage of reduction to ESEA grants the SAU must be applied, prior to current fiscal allocations being determined and released.

Authorization: §8521 of ESSA.

Key Terms or Acronyms: List here any key words that need to be defined and any acronyms used.

Term or Acronym:	Definition
FY	Fiscal Year
MOE	Maintenance of Effort – demonstrating a SAU has maintained fiscal effort.
SAU	School Administrative Unit

Procedure:

MARCH/APRIL

1. ESEA Federal Programs Director contacts School Finance Manager for the MOE Fiscal spreadsheet (if not already provided).
 - a. MOE spreadsheet is sent to ALL ESEA Regional Program Managers within the Maine DOE

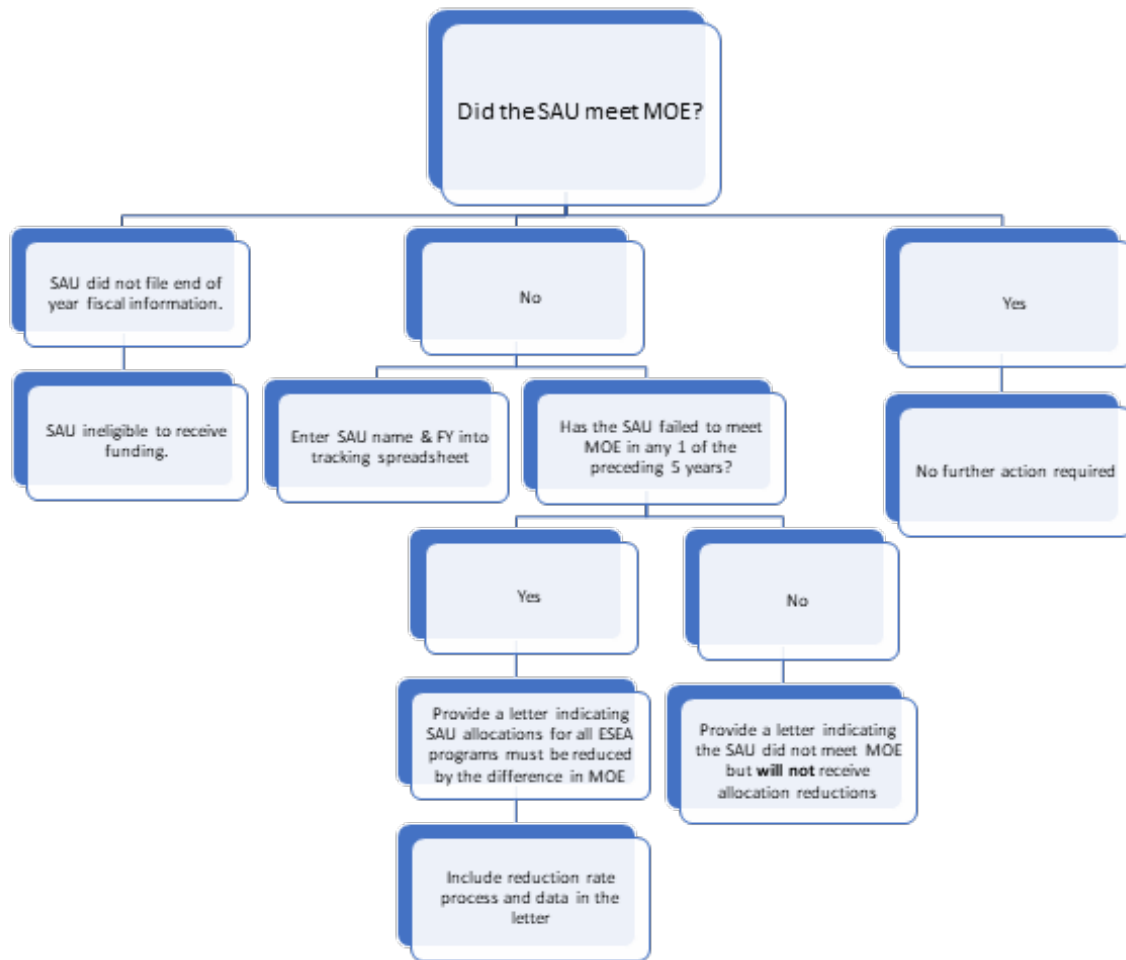
APRIL/MAY (MOE will be determined prior to the publishing of final new year allocations in July.)

1. MOE calculations are reviewed and verified within the MOE Fiscal Spreadsheet utilizing the following protocol.

Example: FY25 (state fiscal year) MOE verification

- FY24 Federal fiscal year
 - Use FY23 & FY22 data to verify / notify regarding if MOE was met and will/will not impact the FY25 allocations.
- a. Current year allocations: Link to FY24 MOE for FY23 Allocations spreadsheet:
 - b. Review TAB within the workbook -- Units that Do Not Meet MOE.

For units “flagged” as DO NOT MEET, the following process is followed:



To determine the allocation reduction percentage using the Reduction Calculation Spreadsheet.

1. Enter data from the MOE spreadsheet into the Reduction Calculation spreadsheet i.e., enrollment counts [test Oct and April counts separately], aggregate operating expenses, and per pupil operating expenses. This excludes debt service and community service.
2. If an SAU fails to maintain effort in a given fiscal year AND also has failed to maintain effort in one or more of the five immediately preceding fiscal years, the Maine DOE must reduce an SAUs allocation across all ESEA programs. (ESEA §8521(b)(1).
3. Reduce Funding by the calculation % that does the “least harm”.
4. Save a Reduction Calculation Worksheet for each entity that requires a reduction.



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5. In the year after a year that an SAU did not meet MOE, the SAU must meet 90% of the target aggregate operating expenses or per pupil operating expenses and NOT of the amount that the SAU expended.

For example:

For the SAU to meet MOE between one year to the next, the 90% target threshold was \$500,000. If the SAU only reached \$470,000 then the original target of \$500,000 must be used for the base year to calculate the next fiscal year target amount not the \$470,000.

The Finance Office spreadsheet will use the actual amount of \$470,000 when doing their calculations and identifications but when completing the calculations, the ESEA team needs to re-evaluate using the \$500,000 as the baseline amount.

The Maine DOE can apply to the USDOE for a statutory provision (waiver) from maintenance of effort (for exceptional or uncontrollable circumstances) on behalf of the SAU.

- a) Natural disaster.
- b) Change in SAU organizational structure; or
- c) Precipitous decline in financial resources of the SAU.

MAY/JUNE

ESEA Federal Program Director sends out letters to impacted SAUs.