



## Arizona Department of Education

### Exceptional Student Services

#### Memorandum

**To:** Special Education Directors and Business Managers

**From:** Exceptional Student Services Program Management Unit

**Date:** March 1, 2021

**Re:** Individuals with Disabilities Education Act Maintenance of Effort Compliance Testing Window Opens on March 1

The purpose of the Individuals with Disabilities Education Act (IDEA) Maintenance of Effort (MOE) Compliance Testing is to ensure that local education agencies (LEAs) do not supplant state and local funds with IDEA federal funding sources per 34 C.F.R. §300.203(b). Any LEA that received federal entitlement funds for the IDEA must be tested for MOE Compliance.

To accurately test for MOE expenditures, the Arizona Department of Education requires LEAs to log in to the ESS Maintenance of Effort application, located in the ESS Portal of ADEConnect. The MOE application will open on March 1, 2021.

When you log in to the ESS MOE application, you will be asked whether the LEA wants to report local only funds used in your Special Education program. If you choose "yes," you will be required to upload documentation that reflects the amount of local special education expenditures. The MOE application will display the compliance test results according to the testing methodologies for aggregate and per capita expenditure. Additionally, an LEA may submit allowable exceptions and reductions within the application if it has failed to meet the compliance standard for one or more of the methodologies. Supporting documentation will need to be uploaded to the application for any local only funds or if specific exceptions or reductions have been applied.

LEAs will be required to complete the compliance testing process in the MOE application no later than March 31, 2021. Any LEAs that do not complete the process by this date may have their IDEA federal funds put on hold until the process is complete.

While COVID-19 is still a factor in the state of Arizona, the Office of Special Education Programs (OSEP) has not issued any waivers or exceptions for any states in testing for IDEA MOE. As such, until ESS receives updated information from OSEP that provides an exemption, we are required by federal law to complete testing for IDEA MOE.



**Kathy Hoffman, Superintendent of Public Instruction**

1535 West Jefferson Street • Phoenix, Arizona 85007

[www.azed.gov](http://www.azed.gov) • (602) 542-5460 • [www.azed.gov/specialeducation](http://www.azed.gov/specialeducation)

The ESS Program Management team will host a 90-minute webinar on March 9, from 11:00 a.m.–12:30 p.m. [Register for the webinar](#) by March 7. This year’s preliminary compliance test results show that 125 out of 640 LEAs are at risk of failing to meet the compliance standard. During the webinar, the ESS Program Management team will guide LEAs through the MOE application and each of the allowable exceptions and reductions. The team will also explain how the MOE Compliance test results may be used to inform your LEA of how to budget in FY2022 to meet the MOE Eligibility test later this year.

Please [e-mail the ESS Program Management Inbox](#) with any questions.