

## Support the BOLD (Building on Local District) Flexibility in IDEA Act

### **Maintenance of Effort (MoE)**

Maintenance of effort is a concept found in federal education statutes that requires states and school districts to maintain state and/or local funding effort from year to year in order to receive any federal education dollars. These “maintenance of effort” (MoE) provisions are intended to ensure education funding is cut as little as possible in tough economic times and that federal funding does not take the place of other money that should be coming from the state and local coffers.

### **Expand the Allowable Exceptions to Reduce District-Level MOE under IDEA**

Under IDEA, districts must maintain 100% fiscal effort for special education and related services with a few exceptions, such as the retirement of highly skilled personnel or the graduation or exit of a high-cost student. AESA believes additional exceptions must be added to ensure districts are not wrongly penalized for changes in their special education funding levels that in no way impact the provision of special education services. Specifically, the BOLD Flexibility in IDEA Act would do the following:

- Enable districts to reduce MoE if they can demonstrate that they are increasing the efficiency of their special education programs and there is no impact on the provision of special education services to students
- Enable districts to reduce MoE if they can demonstrate the reduction in expenditures is related to employment-related benefits provided to special education personnel (such as pay, retirement contributions, health insurance, etc) as long as the reduction does not result in a reduction in special education services to students.

### **Allow for a district waiver process to reduce MoE**

A state education agency (SEA) may seek a MoE waiver to reduce state funding for special education and related services because of “exceptional or uncontrollable circumstances.” Districts do not have this option. Consequently, LEAs must maintain the same level of funding each year for special education and related services regardless of how much funding they receive from the state or federal government during the fiscal year. In response to this, the BOLD Flexibility in IDEA Act would do the following:

- Allow districts to apply to the State for a waiver to reduce MoE if they are facing a serious financial crisis.
- Grant waivers to districts only if they provide evidence they are providing a free appropriate public education to all eligible students.

In IDEA when a district fails to maintain effort in a given fiscal year, the district must repay the amount by which the district fell short. AESA rejects penalizing districts for their failure to compensate for Federal and State financial shortfalls. AESA believes that more flexibility must be given to districts, so that they can reduce their level of special education funding during tough economic circumstances without penalty.

### **Talking Points**

- Co-sponsor Rep. Walberg’s BOLD Act in the House or introduce companion legislation in the Senate
- When state and federal IDEA funding levels decline districts must be allowed to apply for a waiver to the state to reduce IDEA MoE on a one-year basis as long as they do not cut funding for special education students disproportionately and are providing FAPE.
- Districts should be encouraged to “do more with less” and re-negotiate contracts with vendors, repurpose equipment, change staffing schedules, and find other budgetary efficiencies without jeopardizing the maintenance of effort requirements.
- States that have enacted reforms that have changed the requirements for districts regarding their contributions to employee pensions or health care should be allowed to reduce IDEA MoE since these budgetary changes do not impact the provision of services to students.