

MAINTENANCE OF EFFORT(MOE)

District Tracking Tool 2025-26 vs 2026-27

The corresponding Microsoft Excel worksheets assist districts in planning, budgeting, and tracking special education expenditures and reimbursements for the duration of the school year. The calculations generated from the worksheets will assist when actual Annual Finance Report (AFR) yearly comparisons are made, increasing the probability that the MOE compliance standard will be met.

Part I : Account Expenditures / Receipt Reporting

Two tabs in the worksheet, "MOE TOOL-MONTHLY" and "MOE TOOL-YEAR TO DATE," are available for district use. The MOE TOOL-MONTHLY tab allows users to report actual or projected special education Annual Finance Report (AFR) expenditures and receipts on a monthly basis. The MOE TOOL-YEAR TO DATE tab allows users to report actual expenditures and receipts incurred to date, as well as projected total expenditures and receipts for the fiscal year. Additional information regarding AFR Codes and descriptions are found within the NDE Program, Budgeting, and Reporting System manual located at: <https://www.education.ne.gov/FOS/users-manual/>

Either or both of the first two worksheets tabs may be used to track MOE, both are identical in generating an ongoing MOE but differs in the method in which information is entered by the district (*monthly versus to date*). Districts are to report 2025-26 total actual expenditures and receipts for each of the respective accounts (**green key entry fields**). This information is available from local district records or obtained, after February 15, from the Finance and Organizational Services (FOS) website: <https://sfos.education.ne.gov/Search?id=1>

Actual or anticipated ongoing expenditures/receipts obtained from district records for 2025-2026 are reported in **blue key entry fields**.

IDEA receipts reported should reflect the amount of IDEA funds **expended and claimed for a specific school year**. Example: for 2025-26 year, report the amount of IDEA funds claimed from the total available for the 2025-26 school year, whether received in 2025-26 or 2026-27. For the 2026-27 report the amount of IDEA funds claimed or anticipated to be claimed for the 2026-27 year. Calculated figures are provided (**pink calculated fields**) for actual or projected 2026-27 totals.

PART II : MOE Calculations

Four calculated methods are available to meet the MOE standard:

- i. Local funds only;
- ii. The combination of state and local funds;
- iii. Local funds only on a per capita basis – local funds expended or budgeted for students with disabilities, divided by the number of special education children in which the district maintains a financial obligation for service provision (*e.g. total resident and option enrolled special education students within the district*) as reported on the October 1 NDE ADVISER Special Education Child Count; or
- iv. The combination of state and local funds on a per capita basis – state and local funds expended or budgeted for students with disabilities divided by the number of special education children in which the district maintains a financial obligation for service provision (*e.g. total resident and option enrolled special education students within the district*) as reported on the October 1 NDE ADVISER Special Education Child Count.

Districts are to enter the target spending level (e.g. *required level of effort from a prior year*) for each of the four available MOE options in the blue key entry fields located within the left column (line labeled C1, C3, C6, C8). Target spending 2025-2026 levels for the district for each MOE option can be located at <https://www.education.ne.gov/sped/finance/> under **Maintenance of Effort (M.O.E.) Worksheet Instructions & Tracking Tool**, link "**MOE Targets (2026-2027)**".

In this Excel file locate your district by county/district number, the four MOE calculation method targets are displayed within columns E, G, I, and L.

To establish the per capita MOE for the 2025-26 and 2026-27 year, districts must enter the number of special education children in which the district maintains a financial obligation for service provision (e.g. *sum total of resident and option enrollment students within the district*) for each of the two years in the line labeled C5 (Cells G52 and I52) blue key entry fields.

2025-26 special education student counts are calculated by using the October 1, 2024 NDE ADVISER student child count information. Calculated student count can be accessed from the 2026-27 Eligibility Standard report (2025-2026 Column – Line “N”) located at: <https://viewideanew.education.ne.gov/>

2026-27 student counts are obtained from local special education child count records.

The MOE is calculated (*red text in pink fields found in Column I*) from the previously district entered information (*blue fields*). The MOE target spending level of effort is compared to the calculated level of effort for each year incorporating the four available methods and the shortages or excess for each year are reported. A district must meet or exceed target level in at least one of the four calculation methods to demonstrate MOE for that year.

MOE Federal Exceptions

Under Federal Regulation 34 CFR §300.204, there are four instances in which school districts may reduce the level of expenditures for the education of children with disabilities below the level of expenditures for the comparison year.

- A. School districts may reduce the level of effort for special education to the below level of effort for the preceding fiscal year if the reduction is attributable to voluntary departure, by retirement or otherwise, or departure for just CAUSE, of special education or related services personnel and the position is replaced.
- i. In order for the level of state and/or local expenditures reduced because of departure of personnel, the school district must provide the following source documentation when reporting the exception within the MOE Compliance Application.¹
 - ii. Source payroll records (e.g., personnel action forms, resignation letter signed and dated by the employee indicating the reasons why the employee departed the school district, etc.).
 - iii. Year-to-date employee payroll distribution journals.
 - iv. Employee(s) Nebraska Department of Education (NDE) Staff ID Number (*professional staff only*),
 - v. Employee’s signed and dated job description(s),
 - vi. Public advertisements documenting efforts to locate replacement staff
- In addition, the following conditions must be satisfied:
1. Departed personnel may no longer be employed by the school district. If a special education teacher has been reassigned to other duties within the school district, the reassignment does not qualify the school district to claim the “departure of personnel” exception. However, if an existing school district employee voluntarily applies and is selected for a vacant position available within the district, the departure does qualify for this exemption.

¹ Exception requests based on cost reductions attributed to the “replacement of a high cost employee with a lower cost employee” requires all source documentation for both employees except a signed resignation letter from the replacement employee.

viii. The departure must be voluntary (the employee resigned or retired), or for just cause (the employee was terminated as the result of misconduct or negligence). If the school district reduces the number of special education personnel as the result of a reduction in force, the school district **may not** claim the “departure of personnel” exception.

ix. School districts **may not** claim the “departure of personnel” exception when failing to renew a contract of a probationary employee, as neither of those cases meets the “just cause” requirement.

B. School district decrease in the enrollment of children with disabilities. (*Exception calculated by NDE within per capita formula*).

C. The school district may reduce the level of effort for special education to that below the level of effort for the preceding fiscal year if the reduction is the result of a termination of the obligation of the school district to provide a program of special education to a particular child with a disability that is an exceptionally costly program² as determined by NDE.

Because the child:

- i. Have left the jurisdiction of the school district;
- ii. Has reached the age at which the obligation of the agency to provide FAPE to the child has terminated;
or
- iii. No longer needs the program of special education.

In order for the level of state and/or local expenditures to be reduced because the school district no longer has an obligation to serve a child with an exceptionally costly program, the district must provide the following source documentation when reporting actual costs within MOE Compliance Application.

- iv. A schedule summarizing the total costs for each special education student that participated in an exceptionally costly program. The schedule must reconcile to the districts detailed general ledger and source records which must include the NDE program budgeting, accounting, and reporting system transaction, function, and object code for each cost description. NDE may also request students individualized education programs (IEPs) if necessary.

D. A school district may **reduce the level of effort for special education** to that below the level of effort for the preceding fiscal year if the district disbursed special education funds for Individual Education Plan (IEP) required equipment³ for special education student(s) with a unit cost of over \$5000, purchased vehicles for the purpose of transporting children with disabilities as required by the IEP, modification of vehicles for transporting children with disabilities as prescribed by the IEP and Americans with Disabilities Act (ADA), or modification of school facilities necessary for a particular student(s) to benefit from a special education as prescribed by the IEP and ADA.

In order for the level of state and/or local expenditures to be reduced because of a termination of costly expenditures for long-term purchases, the school district must provide the following source documentation

² Exceptionally costly program -means an Individual Education Program (IEP) defined special education service(s) in which special education costs equal or exceed the State average per pupil cost (note 2023-24 appc was \$17,204.67) annually for a particular student.

³ Equipment is defined as any instrument, machine, apparatus, or set of articles with a unit cost of \$5000 or more that meets ANY of the following: (1) under normal conditions of use can be expected to last longer than a year; (2) does not lose its identity through fabrication or incorporation into a different or more complex unit; (3) is nonexpendable (more feasible to repair the item than to replace); (4) retains its appearance and character through use; and/or (5) is of significant value.

when reporting actual costs within MOE Compliance Application.

- i. A schedule listing all the items purchased over \$5000 per unit and the general ledger classification of the purchases. The schedule must agree with the districts detailed general ledger and source records to include the NDE program budgeting, accounting, and reporting system transaction, function, and object code for each cost description. NDE may also request students individualized education programs (IEPs) if necessary.
- ii. Paid Invoice to include purchase price and purchase year.
- iii. Purpose for purchase and the relationship of the purchase(s) to student(s) IEP.

E. The assumption of cost by the high cost fund operated by the State Education Agency (SEA) under Federal Regulation CFR §300.704(c). ***(This exception is not applicable, as NDE does not operate a high cost fund).***

Please review the above federal exceptions and factor these allowances into anticipated projections to increase the accuracy of the effort level.

If you have questions regarding MOE contact:

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