



DATE:	February 22, 2024
SUBJECT:	LEA Preparation for Fiscal Year 2022–2023 Preliminary Compliance Reviews for IDEA-B LEA MOE
CATEGORY:	Funding Implications and Upcoming Deadline
NEXT STEPS:	Perform internal calculations and prepare data and documentation to submit to TEA, if applicable

The purpose of this letter is to alert local educational agencies (LEAs) to the upcoming release of fiscal year 2023 (school year 2022–2023) preliminary compliance reviews for Individuals with Disabilities Education Act, Part B (IDEA-B) LEA maintenance of effort (MOE). This letter also provides guidance about MOE compliance and steps LEAs should take to prepare for the preliminary compliance reviews.

IDEA-B LEA MOE Compliance Process

If an LEA receives IDEA-B grant funds, the MOE requirement specifies that the LEA must spend at least the same amount of state and local funds to provide services to students with disabilities that they spent in the previous fiscal year. Each fiscal year, TEA analyzes financial data and uses four tests approved by the US Department of Education (USDE) to determine if LEAs are in compliance with the MOE requirement. In late March, TEA will release preliminary compliance reviews, which will notify LEAs of the following:

- The LEA passed at least one of the four tests, which means they are compliant with the MOE requirement.
- **or**
- The LEA failed all four tests, which means they are not compliant with the MOE requirement.

LEAs have an opportunity to respond to TEA regarding their preliminary compliance review and submit exceptions and/or adjustments, with supporting documentation, which may change the outcome of one or more of the four compliance tests. **LEAs have ten (10) business days to respond to TEA after the preliminary reviews are released.** Once all documentation has been reviewed, TEA will issue final compliance reviews. LEAs that are not compliant with the MOE requirement may owe a refund to TEA.

What Should I Do Now?

LEAs are **strongly encouraged** to begin gathering relevant data and to perform their own MOE calculations before the preliminary reviews are released. TEA provides an MOE calculation tool, which has been updated for the 2022–2023 compliance cycle, on the [IDEA-B LEA MOE page](#) of the TEA website. An additional [data sources document](#) is also available to help LEAs identify the specific data you should use to perform the calculations.

When the preliminary compliance reviews are released in late March, LEAs should compare TEA’s results to their own MOE calculations and decide if they will accept TEA’s compliance review or if they would like to respond by submitting exceptions and/or adjustments for further consideration.

Release of Preliminary Compliance Reviews

TEA will release 2022–2023 preliminary compliance reviews for IDEA-B LEA MOE in late March 2024. At that time, LEAs can view their compliance review reports by logging on to the secure GFFC Reports and Data Collections application, which is accessible through [TEAL](#).

On the same day that TEA releases the preliminary reviews, it will also make available the 2022–2023 Exceptions/Adjustment Workbook. LEAs must use the workbook if they choose to respond to TEA and submit documentation. The workbook is available in GFFC Reports and Data Collections (in [TEAL](#)) and on the [IDEA-B LEA MOE page](#) of the TEA website. These resources can help LEAs to identify any applicable exceptions and/or adjustments, which are also described below.

Due Date for LEA Responses to TEA

LEAs that choose to respond to TEA regarding the preliminary compliance reviews must do so **within ten (10) business days** of the release date of the preliminary reviews and workbook.

Why Should I Respond to TEA?

LEAs that fail all four compliance tests may want to respond to TEA to demonstrate that they can pass at least one test, and thus may avoid owing a refund.

LEAs that pass at least one compliance test, but fail other tests, may also want to respond to TEA to demonstrate that they can pass more tests, or all the tests. However, to be compliant, an LEA is required to pass only one of the four tests.

LEAs can also accept TEA's preliminary compliance review and take no further action. In this case, an LEA's final compliance review will include data identical to the preliminary compliance review.

Allowable Exceptions and Adjustments

LEAs that choose to respond must use the Exceptions/Adjustment Workbook to submit at least one of the following, as applicable, with the appropriate supporting documentation:

- Applicable federal statutory exceptions. See specific exceptions below.
- Adjustment to fiscal effort (MOE voluntary reduction). See page 10 of the [IDEA-B LEA MOE Handbook](#) for additional information.
- SHARS Reimbursement Survey reporting errors. The survey can be resubmitted with corrected information.
- PEIMS reporting errors with auditor's supporting documentation. See page 12 of the [IDEA-B LEA MOE Handbook](#) for additional information.

Specific Federal Statutory Exceptions

If an LEA has failed at least one of the four compliance tests, the LEA may use one or more of the allowable federal statutory exceptions outlined in [Title 34 of the Code of Federal Regulations \(CFR\) §300.204](#) as outlined below:

- The voluntary departure, by retirement or otherwise, or departure for just cause, of special education or related services personnel.
- A decrease in the enrollment of children with disabilities.
- The termination of the obligation of the LEA, consistent with IDEA-B, to provide a program of special education to a particular child with a disability that is an exceptionally costly program, as determined by TEA, because the child has left the jurisdiction of the LEA; has reached the age at which the obligation of the LEA to provide FAPE to the child has terminated; or no longer needs the program of special education.
 - *An exceptionally costly program to a particular child with a disability is a program with a cost greater than \$12,529.*
- The termination of costly expenditures for long-term purchases, such as the acquisition of equipment or the construction of school facilities.
- The assumption of cost by the high-cost fund operated by [34 CFR §300.704\(c\)](#).
- The adjustment to fiscal effort provision under [34 CFR §300.205](#).

Detailed information about allowable exceptions and/or adjustments is given in the IDEA-B LEA MOE Guidance Handbook, posted on the [IDEA-B LEA MOE page](#) of the TEA website.

Training Opportunities

TEA's Federal Fiscal Compliance and Reporting Division will provide an online training via Zoom for LEAs interested in learning more about the IDEA-B LEA MOE requirement, calculation, and exceptions process.

The training is scheduled on Tuesday, March 26, 2024, from 10:00 – 11:00 a.m. LEAs can register for the Zoom training by visiting this link: [Meeting Registration - Zoom](#)

Online Resources

Please refer to the [IDEA-B LEA MOE page](#) of the TEA website for further information and additional resources regarding IDEA-B LEA MOE. Several new training slide decks related to the submission of exceptions and PEIMS errors have been developed and are available on the webpage. Additional guidance will also be provided when TEA announces the release of the preliminary compliance reviews and workbook.

Contact Information

If you have any questions regarding the IDEA-B LEA MOE compliance review process, please contact the Federal Fiscal Compliance and Reporting Division by email at compliance@tea.texas.gov.