

# **MAINTENANCE OF EFFORT**

## **DEFINITION AND PURPOSE**

Maintenance of Effort (MOE) is required by many grant programs, including Title I. The purpose of the MOE requirement is to ensure the recipient of federal funds (LEA) does not spend those funds in place of state and local dollars. MOE ensures grant recipients spend their state and local funds for the same activities that would be provided if federal dollars were not available. This will result in a program where federal dollars supplement (add) the normal activities of the district and do not supplant (replace) the district's normal activities. The underlying principle is that the district is responsible for maintaining effort in providing a free public education to all students from year to year. Title I is in addition to the required education that all students receive.

## **CALCULATING MAINTENANCE OF EFFORT**

MOE is automatically calculated for LEAs through the Consolidated Application as follows:

1. The total expenditures of the LEA from state and local funds for the previous school year is divided by the total number of students (based on September 30 enrollment from the previous school year) to determine the total per –student non-federal expenditure for the previous school year.
2. The total expenditures of the LEA from state and local funds for the current school year is divided by the total number of students (based on September 30 enrollment of the current year) to determine the total per-student non-federal expenditure for the current year.
3. Number 1 is then subtracted from Number 2 above to determine the LEA's total increase or decrease in MOE.

**The total expenditures from state and local funds per student for the preceding fiscal year cannot be less than 90 percent of the total expended from state and local funds per student in the current year.** If an LEA fails to meet the MOE requirement, the State Education Agency must reduce the LEA's Title I allocation in the exact proportion by which the LEA has failed to meet MOE. (Example: If a LEA's MOE is found to be only 80%, the Title I allocation is reduced by 10% because the MOE requirement is not less than 90%).

## **EXCEPTIONS**

The U.S. Secretary of Education may waive the MOE requirement if it is determined that such a waiver would be warranted due to:

1. Exceptional or uncontrollable circumstances such as a natural disaster;
2. A precipitous decline in the financial resources of the district.

## **ADDITIONAL RESOURCES**

[Supplement Not Supplant](#)  
[US ED Non-Regulatory Guidance: Fiscal](#)