



**Every Student Succeeds Act (ESSA)
Local Educational Agency (LEA)
Maintenance of Effort (MOE)**

April 10, 2023

This presentation is intended solely to provide general information and guidance to Texas local educational agencies (LEAs) and reflects the Texas Education Agency's (TEA's) current understanding of processes, requirements, and applicable federal guidance. The content of this presentation is subject to change as a result of further potential information and guidance provided by federal agencies with regulatory oversight of the topics covered. This presentation does not constitute legal advice, and LEAs are, therefore, advised to seek legal counsel regarding the information and guidance provided in this presentation before acting on such information and guidance.



What is ESSA LEA MOE?



How does an LEA demonstrate compliance?



What are the consequences of non-compliance?

What is ESSA LEA MOE?

- Every Student Succeeds Act (ESSA) Maintenance of effort (MOE) requires local educational agencies (LEAs) to maintain their state and local expenditures at a specified level from one fiscal year to the next.
- **Section 8521(a):** TEA (as the State Education Agency for Texas) is required to determine whether an LEA's combined fiscal effort per student or the aggregate expenditures for the preceding fiscal year was at least 90% of the combined fiscal effort or aggregate expenditures for the second preceding fiscal year.

Four Ways to Pass ESSA LEA MOE

An LEA must “pass” at least one test:

1. Total **state & local** expenditures
2. Total **state & local** expenditures per pupil for refined average daily attendance (RADA)
3. Total **state & local** expenditures per-pupil for membership
4. Total **state & local** expenditures per pupil for enrollment

Funds codes included

Category	Function
General Fund	199
Foundation School Program and Other State Aid (Charter Schools Only)	420



Note: All federal funds, including ESSER I, II, and III, are **excluded** from the calculation.

Included Function Codes

Category	Function
Instruction	11
Instructional Resources & Media Services	12
Curriculum & Instructional Staff Development	13
Instructional Leadership	21
School Leadership	23
Guidance & Counselling Service	31
Social Work Services	32
Health Services	33
Student (Pupil) Transportation	34
Food Services (Districts only)	35
Co-curricular/Extracurricular Activities (Deficits Only)	36
General Administration	41
Plan Maintenance and Operations	51
Data Processing Services	53
Debt Services (only codes 6512, 6514*, 6522 and 6526*)	71




Object Codes 6514 and 6526 will be included beginning with the FY 2023 calculation in Spring 2024.

Excluded Expenditures

TEA may **NOT** consider expenditures for the following:

Category	Function
Community Services	61
Debt Services (all except 6512, 6514*, 6522 and 6526*)	71
Facilities Acquisition & Construction	81
Debt Service (all except 6512, 6514*, 6522 and 6526*)	6500
Capital Outlay	6600

 Object Codes 6514 and 6526 will be included beginning with the FY 2023 calculation in Spring 2024.



Texas Education Agency
 PDM1-230-003
 v22.1.2

TSDS PEIMS STUDENT SUMMARY BY SEX AND ETHNICITY
LEA-level Data
Campuses: ALL
 2021 - 2022 Fall Collection, Accepted Submission

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LEA: _____

Students by ADA Eligibility Code:	Hispanic/Latino		America Indian or Alaska Native		Asian		Black or African American		Hawaiian or Other Pacific Islander		White		Two or More Races		Totals	%
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female		
0	160	78	1	0	18	7	62	28	0	0	67	39	6	0	466	0.2
1	56,858	55,004	169	137	4,132	4,015	19,660	19,706	67	69	8,835	8,947	1,478	1,514	180,591	92.8
2	3,780	3,747	9	6	188	187	1,592	1,599	4	4	173	193	37	40	11,559	5.9
3	303	321	1	0	19	18	141	162	0	1	35	36	10	13	1,060	0.5
4	47	48	0	0	17	21	14	15	0	0	62	74	9	9	316	0.2
5	6	8	0	0	2	2	1	4	0	0	7	12	3	0	45	0.0
6	1	5	0	0	0	0	1	2	0	0	0	0	0	0	9	0.0
7	0	3	0	0	0	0	1	0	0	0	0	0	0	0	4	0.0
8	71	27	0	0	0	0	23	21	0	0	1	0	0	0	143	0.1
9	134	77	0	0	15	20	83	60	0	0	9	9	3	4	414	0.2
Total	61,360	59,318	180	143	4,391	4,270	21,578	21,597	71	74	9,189	9,310	1,546	1,580	194,607	100.0
Percent	31.5	30.5	0.1	0.1	2.3	2.2	11.1	11.1	0.0	0.0	4.7	4.8	0.8	0.8	100.0	

TSDS → Fall → First or Resub → View Reports →
 Special Reports → Summary → PDM1-230-003

Consequences of Noncompliance

- **Section 8521(b)(1):** TEA is required to reduce an LEA's ESSA allocations for “**covered programs**” (see list below) by the percentage that the LEA failed to meet the ESSA LEA MOE requirement (**using the measure most favorable to the LEA**).
 - Title I, Part A
 - Title I, Part D
 - Title II, Part A
 - Title III, Part A
 - Title IV, Part B
 - Title V, Part B Subpart 2

Compliant LEA Example

Column A	Column B	Column C	Column D	Column E	Column F
ESSA MOE Test	FY21 State & Local Expenditures	Level required to maintain effort in FY22 (90% of B)	FY22 State & Local Expenditures	Amount LEA failed to maintain effort in FY22 (C minus D)	% Alloc. Reduced in FY24 (E divided by C)
1. Total	\$3,589,570	\$3,230,613	\$3,445,875	N/A LEA compliant	
2. RADA	\$8,015	\$7,214	\$7,664	N/A LEA compliant	
3. Membership	\$7,670	\$6,903	\$7,316	N/A LEA compliant	
4. Enrollment	\$7,670	\$6,903	\$7,316	N/A LEA compliant	

Noncompliant LEA Example

Column A	Column B	Column C	Column D	Column E	Column F
ESSA MOE Test	FY21 State & Local Expenditures	Level required to maintain effort in FY22 (90% of B)	FY22 State & Local Expenditures	Amount LEA failed to maintain effort in FY22 (C minus D)	% Alloc. Reduced in FY24 (E divided by C)
1. Total	\$1,870,509	\$1,683,458	\$1,546,506	\$136,952	8.135%
2. RADA	\$11,449	\$10,304	\$8,437	\$1,867	18.120%
3. Membership	\$10,689	\$9,620	\$7,850	\$1,770	18.400%
4. Enrollment	\$10,689	\$9,149	\$7,544	\$1,605	17.547%

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ESSA LEA Maintenance of Effort

Maintenance of effort (MOE) requires local educational agencies (LEAs) to maintain their state and local expenditures at a specified level from one fiscal year to the next. If your organization receives a federal grant awarded under the Every Student Succeeds Act (ESSA), the MOE requirement specifies that you must spend at least 90% of state and local funds for free public education as you spent in the previous fiscal year. You must comply with MOE requirements in order to receive your full allocation for ESSA covered programs. A list of ESSA covered programs is available in the guidance handbook listed below.

TEA Guidance

The following sections provide TEA Guidance about the Every Student Succeeds Act and Maintenance of Effort.

ESSA LEA MOE Handbook

The ESSA LEA Maintenance of Effort (MOE) Guidance Handbook (PDF 557 KB) provides guidance on how to interpret and determine your organization's compliance with the ESSA LEA MOE requirement.

Contact Information

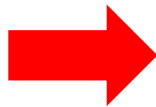
Federal Fiscal Compliance and Reporting Division

(512) 463-9127 (phone)

compliance@tea.texas.gov (email)



[ESSA LEA MOE Handbook](#)



ESSA LEA MOE Calculation Tool

The ESSA LEA MOE Calculation Tool workbook will help your organization determine its compliance with the MOE requirement.

The calculation provides an estimate only and does not duplicate TEA's exact calculation process. The results of TEA's calculation will be the basis of the final MOE determination.

The ESSA LEA MOE Calculation Tool has been updated and is available at the following link:

ESSA LEA MOE Calculation Tool



- [ESSA LEA MOE Calculation Tool \(Excel\)](#)
- [ESSA LEA MOE Calculation Tool \(PDF\)](#)

Federal Guidance

- The [Every Student Succeeds Act](#) provides the federal regulations concerning the ESSA LEA MOE.
- [Non-Regulatory Guidance: Fiscal Changes and Equitable Services Requirements Under ESSA](#) published on November 21, 2016. This guidance document includes information regarding ESSA LEA MOE.



Additional guidance will be posted on this page as it becomes available. If you would like to be notified when updates occur, please subscribe to the [Grants \(formerly GAFPC\)](#) for email updates.

Nonregulatory Guidance

ESSA LEA MOE Calculation Tool

Region	CDN	LEA Name					Status	Adjustment (b)
							NONCOMPLIANT	0.000%
Line No.	Function Code	Function Code Description	State and Local Expenditures During Applicable Compliant Comparison Year	Minimum Expenditures in Determination Year (90% of Comparison Year)	State and Local Expenditures During Determination Year	Difference between projected determination year expenditures and minimum needed to be compliant	Fiscal Year in Which Allocation is Potentially Reduced if LEA Non-Compliant	
01	11	Instruction			\$ -			
02	12	Instructional Resources and Media Services	\$ -		\$ -			
12	41	General Administration	\$ -		\$ -			
13	51	Plant Maintenance and Operations	\$ -		\$ -			
14	53	Data Processing Services	\$ -		\$ -			
15	71	Debt Services (only object codes 6512 and 6522)	\$ -		\$ -			
16		Total Operating Expenditures (Add 01 - 15)	\$ -	\$ -	\$ -	\$ -	0.000%	
17		Refined Average Daily Attendance (RADA)	0		0			
18		Total Operating Expenditures per Pupil (Refined ADA) (15 ÷ 16)	\$ -	\$ -	\$ -	\$ -	0.000%	
19		Membership	0		0			
20		Total Operating Expenditures per Pupil (Membership) (15 ÷ 18)	\$ -	\$ -	\$ -	\$ -	0.000%	
21		Enrollment	0		0			
22		Total Operating Expenditures per Pupil (Enrollment) (15 ÷ 20)	\$ -	\$ -	\$ -	\$ -	0.000%	
23		Adjustment to ESEA Entitlements (Refer to Note C below.)					0.000%	

Five Year Flexibility

Section 8521(b)(1): TEA is required to reduce allocations for ESSA covered programs for LEAs that have failed to meet MOE for one or more of the five immediately preceding fiscal years.

In this example, the LEA is NOT subject to sanctions for failing ESSA LEA MOE in FY 2022.

Compliance review fiscal year	FY 2022	Noncompliant
1st preceding fiscal year	FY 2021	Compliant
2nd preceding fiscal year	FY 2020	Compliant
3rd preceding fiscal year	FY 2019	Compliant
4th preceding fiscal year	FY 2018	Compliant
5th preceding fiscal year	FY 2017	Compliant

ESSA Section 8521(c): An LEA may request a USDE waiver if the LEA did not meet the compliance standard due to:

1. Exceptional or uncontrollable circumstances, such as a natural disaster or a change in the organizational structure of the LEA.
2. A precipitous decline in the financial resources of the LEA.

USDE Waiver continued

Waiver APPROVED

- LEA is considered **COMPLIANT**
- ESSA Allocations **ARE NOT** reduced



Waiver DENIED

- LEA is considered **NONCOMPLIANT**
- ESSA Allocations **ARE** reduced (*if LEA is not eligible for 5-year flexibility*)



ESSA LEA MOE Timeline

When Data is Reviewed	Determination Year	Fiscal Years Compared			Funding Impacted (if non-compliant)
Spring 2024	FY 2023 (2022-23)	FY 2023 (2022-23)	vs	FY 2022 (2021-22)	FY 2025 (2024-25)
Spring 2023	FY 2022 (2021-22)	FY 2022 (2021-22)	vs	FY 2021* (2020-21)	FY 2024 (2023-24)
Spring 2022	FY 2021 (2020-21)	FY 2021 (2020-21)	vs	FY 2020 (2019-20)	FY 2023 (2022-23)
Spring 2021	FY 2020 (2019-20)	FY 2020 (2019-20)	vs	FY 2019 (2018-19)	FY 2022 (2021-22)



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