The Intersection of Maintenance of Effort (MOE) and State Administration Match Under Perkins V

Adam Flynn -Tabloff and Andrew Johnson
Division of Academic and Technical Education
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Purpose and Goals

• Participants will Understand...
  • How MOE and State Administrative Match requirements intersect under Perkins V.

• Participants will Know...
  • Where to find information related to MOE provided under Perkins V.
  • General MOE requirements under Perkins V.
  • General State Administration Match requirements under Perkins V.
  • Tentative timeline for determining whether a state has met MOE requirements before receiving a Perkins grant award.
  • How to report state-level expenditures for MOE and State Administrative Match.
  • The MOE waiver provision under Perkins V related to MOE requirements.
Previously Shared MOE Information Under Perkins V

• Verifying and Documenting MOE Baseline Levels under Perkins V (9-10-2020)
• MOE Requirements under Perkins V (1-28-2021)

https://cte.ed.gov/grants/town-hall-webinars
In General -- Except as provided in subparagraph (B), (C), or (D), in order for a State to receive its full allotment of funds under this Act for any fiscal year, the Secretary must find that the State’s fiscal effort per student, or the aggregate expenditures of such State, with respect to career and technical education for the preceding fiscal year was not less than the fiscal effort per student, or the aggregate expenditures of such State, for the second preceding year.
In meeting effort for a state to receive its FY 2022 grant award, beginning on 7/1/22, the Department will compare the state’s level of effort for State FY 2021 (7/1/20 to 6/30/21) to ensure that it was equal to or greater than its level of effort for State FY 2020 (7/1/19-6/30/20) -- the MOE baseline.
State Administration Match - General Requirements - Section 112(b)

Matching requirement -- Each eligible agency receiving funds made available under subsection (a)(3) shall match, from non-Federal resources and on a dollar-for-dollar basis, the funds received under subsection (a)(3).
State Administration Match - General Requirements - Section 112(b)
State Level Funds for CTE (MOE)

- Program and administrative funds
- Calculated on a 12-month time period corresponding to a state fiscal year
  - July 1 to June 30 for most states
MOE and State Administration Match Intersection

State Administration Match
- State-level funds used to administer Perkins.
- One element of Perkins MOE computation
  - For some states - the only element.
- States have 27 months to meet the match requirement, but for purpose of the MOE computation, only State expenditures within a 12-month state fiscal year can be included.
For some states, their Administration Match constitutes the state’s only contribution for MOE because the state does not have any state-level program funds earmarked for CTE.

If one of these states wants to continue to utilize its match to meet MOE, it must meet the match requirements in the 12-month period that aligns to the MOE calculation.
Reporting State-level Expenditures for MOE and Administration Match

• **Interim Financial Status Report**
  • Report covering first 12 or 15 months of 27-month grant.
  • State program funds for CTE reported on 12-month cycle.
  • State administration match funds - only funds reported on a 12-month cycle will be included in the MOE computation with State CTE funds. If a state is using admin match to meet MOE it must only include funds expended in the first 12 months in its interim report.

• **Final Financial Status Report**
  • Report covering entire 27 months of the 27-month period of fund availability.
  • State program funds for CTE that were reported on the interim FSR for the grant are repeated on the final FSR because MOE determinations are based upon the first 12 months of the 27-month grant period.
  • State Administration Match funds can be reported for up to 27 months.
Tentative MOE Compliance Timeline for FY22 Perkins Grant Awards

1/31/22
• States submit CAR reports with FY 2019 final and FY 2020 interim FSRs.

February to March
• OCTAE reviews FSR submissions and follows-up with states regarding any possible miscalculations.

No later than 4/15/22
• OCTAE notifies any state of its failure to meet MOE requirements for the upcoming FY 2022 grant award.

No later than 5/1/22
• OCTAE issues state allocations for FY 2022 grant awards.
Waiver -- The Secretary may waive paragraph (2) due to exceptional or uncontrollable circumstances affecting the ability of the State to meet the requirement of paragraph (1) such as a natural disaster or unforeseen and precipitous decline in financial resources. No level of funding permitted under such a waiver may be used as the basis for computing the fiscal effort or aggregate expenditures required under this section for years subsequent to the year covered by such waiver. The fiscal effort or aggregate expenditures for the subsequent years shall be computed on the basis of the level of funding that would, but for such waiver, have been required.
Questions?
Thank You!

Email Andrew Johnson at Andrew.Johnson@ed.gov with any follow-up questions