

Maintenance of Effort (MOE) Hold Harmless

JBC

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Overview

- HB22-1295, required the Colorado Department of Education (CDE) to support the Colorado Department of Early Childhood (CDEC) in administering the Colorado Universal Preschool program.
- Specially, statute requires that CDE and CDEC enter into a Memorandum of Understanding (MOU) that delineates roles and responsibilities between both departments to ensure that Colorado meets both the federal and state requirements for ensuring students with disabilities have access to the services they need.
- The MOU was fully executed on February 1, 2023.

CDE MOE Hold Harmless Funding

- Some – primarily rural – districts were concerned they will receive less funding than they previously did for providing preschool services and therefore may have challenges meeting their Maintenance of Effort (MOE) requirements pursuant to Individuals with Disabilities Education Act (IDEA).
- To address these concerns, the 2023 School Finance Act (SB23-287) added Section 22-20-114(8), which provides up to \$10M to ensure that AUs can meet the federal MOE requirements this year.

CDE MOE Hold-Harmless Funding

- Under the Individuals with Disabilities Education Act (IDEA), Administrative Units (AUs) are required to budget and expend as much as it expended in the most recent year.
- Maintenance of Effort (MOE) is calculated based on expenditures – or how much a district spent – on IEP related services.
- Since expenditure data lags behind a year, CDE is using any gap in funding from CPP Historical Allocation Funds (revenue received during the 2022-23 school year versus the 2023-24 school year) as a proxy for MOE concerns because a reduction in revenues will make it challenging to maintain expenditures under MOE.

CDE MOE Hold-Harmless Funding

- FY 23-24 CDEC UPK funding, including the CDEC Colorado Preschool Program (CPP) Historical Allowance funding, will be compared to FY 22-23 Preschool funding (CPP + SPED PreK) from School Finance to determine distribution amounts.
- CDE will calculate projected distributions for each school district and CSI for the 114(8) “MOE hold-harmless” funding.
- If calculated MOE Hold Harmless distributions exceed the appropriated funding, CDE will distribute funding based on an equal proportion.
- Anticipated quarterly projections will be posted to CDE’s [School Finance website](#), until the MOE hold-harmless payments are made in June 2024.

CDE MOE Hold-Harmless Funding



FY 2022-23

CDE Pre-K

Total Preschool
Program \$
(CPP+SPED PK) =
Total PK \$

—

FY 2023-24

CDEC UPK

UPK Rate plus
CDEC CPP
Historical
Allowance =
Total UPK \$

=

**MOE HOLD HARMLESS
(SB23-287)**

UPK \$ < Total PK \$

*Equation:
2022-23 Total PK \$
- 2023-24 Total UPK \$
CDE MOE Hold-Harmless \$*

If the funding that a school district or CSI receives based upon per-child rates for FY 2023-24 plus the CDEC CPP Historical Allowance funding (Total UPK \$) is less than the funding for FY 2022-23 for all preschool students (Total PK \$), CDE shall distribute the difference to the school district or CSI.

Timing & Next Steps

- Enrollment and payment data for each district will be available, via CDEC, in November.
- This data will facilitate understanding of allocated funds by part-time, half day and full-day rates at each district location.
- CDE will continue to support CDEC and districts in identifying options and viable solutions.

Questions?

