

# Understanding Maintenance of Effort

- **Maintenance of Effort (MOE)**
  - State law requires local governments to maintain the per pupil funding at least at the same amount as the prior year
  - The MOE must be funded by the local government
- **Calculation of Required MOE for the Budget (two step process)**
  - First, determine the per pupil funding amount that must be maintained by taking the current year county funding (excluding any one-time) divided by the prior school year official enrollment (the year prior to the funding year)
  - Second, multiply the per pupil funding amount by the greater of the prior year official enrollment or the 3-year average official enrollment, excluding Sept 2020 enrollment

On April 9, 2021, HB 1372, the Kirwan “Fix Bill” changed the official enrollment calculation for MOE. Before the change, prior year enrollment was used.

The BOE Requested Budget was based on the old calculation and assumed a hold-harmless action by Legislature.

# FY 2022 Maintenance of Effort

## Old MOE Calculation- Sept 2020 enrollment

FY21 Funding	/	Sept 2019 Enrollment	=	Per Pupil Base	*	Sept 20 Enrollment	=	FY22 MOE	CE FY22 Recomm.	Above MOE
\$620.3M <sup>1</sup>	/	57,386	=	\$10,809	*	55,755	=	\$602.7M	\$622.8M	\$20.1M

## New MOE Calculation- HB1372

FY21 Funding	/	Sept 2019 Enrollment	=	Per Pupil Base	*	Greater= Sept 19 Enrollment	=	FY22 MOE	CE FY22 Recomm.	Above MOE
\$620.3M <sup>1</sup>	/	57,386	=	\$10,809	*	57,386	=	\$620.3M	\$622.8M	\$2.5M

3-Yr Avg= 56,387

- Under the Old MOE calculation, the increase above MOE is \$20M
- Under the HB1372 new MOE calculation, the required MOE increases to \$620.3M
- This required level of funding is the same level as FY21, holding the funding level harmless for the impacts of the pandemic

# Comparison to BOE FY 2022 Request

	BOE Requested	County Exec Recommended	Difference
<b>Revenues</b>			
County Operating	\$651.7M	\$622.8M	\$(28.9)M
County One-Time	\$18.7M	\$10.0M	\$(8.7)M
State	\$282.5M	\$282.5M	-
Other	\$7.4M	\$7.4M	-
<b>TOTAL</b>	<b>\$960.3M</b>	<b>\$922.6M</b>	<b>\$(37.6)M</b>
<b>Expenditures</b>			
Operating	\$941.6M	\$912.6M	\$(28.9)M
Health Deficit One-Time	\$18.7M	\$10.0M	\$(8.7)M
<b>TOTAL</b>	<b>\$960.3M</b>	<b>\$922.6M</b>	<b>\$(37.6)M</b>

*Due to rounding, numbers may not sum.*

# Comparison to Prior-Year Funding

	FY 2021 Approved	County Executive Recommended	Difference
<b>Revenues</b>			
County Operating	\$620.3M	\$622.8M	\$ 2.5M
County One-Time	-	\$10.0M	\$10.0M
State	\$282.7M	\$282.5M	\$(0.2)M
Other	\$7.7M	\$7.4M	\$(0.4)M
Fund Balance	\$8.0M	-	\$(8.0)M
<b>TOTAL</b>	<b>\$918.7M</b>	<b>\$922.6M</b>	<b>\$4.0M</b>
<b>Expenditures</b>			
Operating	\$918.7M	\$912.6M	\$(6.0)M
Health Deficit One-Time	-	\$10.0M	\$10.0M
<b>TOTAL</b>	<b>\$918.7M</b>	<b>\$922.6M</b>	<b>\$4.0M</b>

*Due to rounding, numbers may not sum.*

# FY22 Expenditure Increases

Item	FY22 Cost	Item	FY22 Cost	Item	FY22 Cost
• One-time Health Fund deficit elimination	\$ 18,690,886	• Increase funding for Workers Compensation Fund	\$ 462,425	• Board of Education in-house 1.0 Legal Counsel	\$ 75,419
• Attracting and Retaining High-Quality Teachers and Staff	\$ 6,553,954	• Increase in MABE insurance premiums	\$ 379,282	• Addition of a 1.0 Nurse	\$ 69,972
• Digital Education Center (DEC)	\$ 6,229,432	• Shift of 2.2 Grant funded position to the Operating Fund	\$ 274,016	• Sustaining 1.0 Social Worker from Horizon Foundation grant	\$ 50,000
• Funding Commitments for Special Education New Enrollment and Existing Service Levels	\$ 5,357,451	• Increase funding for County water/sewage maintenance fee	\$ 211,852	• Benefit Costs for Nurse, Grant shifted positions & Social Worker	\$ 43,338
• Funding Commitments for General Education New Enrollment	\$ 4,030,577	• Building Security Commitments	\$ 150,000	• Student Transportation routing software	\$ 37,022
• Meeting Financial Commitments to Health Insurance	\$ 3,693,285	• Increase to life insurance	\$ 142,000	• Benefit Costs for New Legal Counsel	\$ 24,581
• Enhanced Supports for Students and SRO Alternative	\$ 3,438,339	• Other non-enrollment increases	\$ 200,551	• Increase for Risk Management contracted services	\$ 17,743
• Sustaining Technology Infrastructure and Cybersecurity Safeguards	\$ 3,279,433	• High School Athletics HUDL Streaming Service	\$ 100,000	• Increase unemployment claims	\$ 10,000
• Enhanced Efforts in Reading Instruction and Dyslexia Training	\$ 896,272	• Transfer Lobby Guard maintenance from Technology Fund	\$ 77,500		