

## **SUPPORT HR 2965:**

### **The BOLD (Building on Local District) Flexibility in IDEA Act**

#### **What does the BOLD Flexibility in IDEA Act do?**

It amends the provisions in the Individuals with Disabilities Education Act (IDEA) related to the maintenance of effort requirements for local school districts.

#### **What is Maintenance of Effort (MoE)?**

Maintenance of effort is a concept found in federal education statutes that requires states and school districts to maintain state and/or local funding effort from year to year in order to receive any federal education dollars. These “maintenance of effort” (MoE) provisions are intended to ensure education funding is cut as little as possible in tough economic times and that federal funding does not take the place of other money that should be coming from the state and local coffers.

#### **What flexibilities do districts currently have in IDEA to reduce MoE?**

Under IDEA, districts must maintain 100% fiscal effort for special education and related services with a few exceptions:

- A retirement or departure by someone working in the special education program
- A decrease in the enrollment of children with disabilities
- A special education student with particularly costly needs leaves the district because they no longer qualify for special education or moves out of the district
- The district no longer needs to spend money on a significant long-term expenditure, such as equipment or construction related to the special education program

Under IDEA, a state education agency (SEA) may also seek a MoE waiver to reduce state funding for special education and related services because of “exceptional or uncontrollable circumstances.” Districts do not have this option. Consequently, LEAs must maintain the same level of funding each year for special education and related services regardless of how much funding they receive from the state or federal government during the fiscal year. Many times, school districts use local budget dollars to fill these federal and state funding shortfalls.

#### **What flexibilities are provided to districts under the BOLD Flexibility in IDEA Act?**

- Districts can reduce MoE if they can demonstrate that:
  - they are increasing the efficiency of their special education programs and there is no impact on the provision of special education services to students
  - the reduction in expenditures is related to employment-related benefits provided to special education personnel (such as pay, retirement contributions, health insurance, etc) as long as the reduction does not result in a reduction in special education services to students.
- Districts can apply to the State for a waiver to reduce MoE if they are facing a serious financial crisis.
  - Grants waivers to districts only if they provide evidence they are providing a free appropriate public education to all eligible students.

### **Why is this bill worthy of your support?**

Reason #1: District leaders have an obligation to leverage local education funding in a manner that best serves the maximum number of students. IDEA must provide districts with the flexibility to ensure they are not wrongly penalized for changes in their special education funding levels that in no way impact the provision of special education to students with disabilities.

Reason #2: Districts should be encouraged to “do more with less” and re-negotiate contracts with vendors, repurpose equipment, change staffing schedules, and find other budgetary efficiencies that do not compromise student services without jeopardizing the federal maintenance of effort requirements. School system leaders have a responsibility to provide academic services to their students as well as a fiduciary responsibility to allocate resources economically to the taxpayers in district. These flexibilities bring these two responsibilities into balance.

Reason #3: States that have enacted reforms that have changed the requirements for districts regarding their contributions to employee pensions or health care should be allowed to reduce IDEA MoE since these budgetary changes do not impact the provision of services to students.

Reason #4: When state and federal IDEA funding levels decline dramatically or a major economic crisis affects a community’s overall resources, districts must be allowed to apply for a waiver to the state to reduce IDEA MoE on an individualized, annual basis. Title I of ESEA enables districts to apply for a waiver when these unfortunate circumstances arise, and IDEA should be aligned to Title I to provide districts with the same flexibility.

Reason #5: Special education students are general education students first. Savings that districts realize in their local special education expenditures should be reallocated to the general education budget, so administrators can dedicate these resources in a manner that best serves all of their students. Artificially maintaining special education funding levels because of an inflexible federal requirement does not allow districts to efficiently allocate limited resources to serve the maximum number of students.

### **Who supports this bill?**

AASA, School Superintendents Association, Council of Administrators of Special Education, Association of Educational Service Agencies, Association of School Business Officials and National Rural Education Association.