



National Association of State Directors of Special Education, Inc.

1800 Diagonal Road, Suite 320, Alexandria, VA 22314

Tel: 703/519-3800 Fax: 703/519-3808 www.nasdse.org

February 17, 2011

Melody Musgrove, Ed.D., Director
Office of Special Education Programs (OSEP)
Potomac Center Plaza South
550 12th Street, SW
Washington, DC 20204

Dear Dr. Musgrove:

On behalf of state directors of special education, I am requesting a written response to a question regarding their implementation of the local education agency (LEA) maintenance of effort requirements. The scenario and question follows:

An LEA fails to meet their maintenance of effort. As a result, the LEA pays the state education agency (SEA) an amount equal to the shortage. The SEA then returns the money to the US Department of Education.

Question: In determining the base amount of dollars that the LEA must spend the following year, do they maintain the base amount from the previous year, or reset the base amount to reflect the lower amount actually spent the previous year?

In my reading of the regulations at 300.203(b), it appears that the regulation allows LEA's to reset their base spending to the reduced level. However, I am requesting OSEP's review and response so that states will implement this regulation appropriately.

Thank you very much.

Sincerely,

Bill East, Ed.D.
Executive Director

Cc: NASDSE Members
Ruth Ryder, Director, MSIP