


Maintenance of Effort Guidelines

TGFOA Fall Conference 2025

Maintenance of Effort (MOE)

Prevents local governments from substituting state/federal funds for local revenues as state/federal funding increases.



Ensures that the additional funds provided are used for improvements or inflation - not simply to maintain spending levels previously supported by local revenue.

Maintenance of Effort Statutes

Board of Education	T.C.A. 49-2-203/49-3-314
Sheriff's Office	T.C.A. 8-20-120
Highway Department	T.C.A. 67-3-901
Assessor of Property	T.C.A. 67-1-506
Election Commission	T.C.A. 2-12-209
Public Library	T.C.A. 10-5-101
Emergency Communications District	T.C.A. 7-86-303
County Mayor	T.C.A. 5-9-408

Board of Education MOE

T.C.A. 49-3-314(c)(1) – State Dept. of Education

- No LEA shall use state funds to supplant total local current operating funds, excluding capital outlay and debt service.
- Local funds used to offset state funding reductions in previous fiscal years are excluded from the MOE requirement.

T.C.A. 49-2-203(a)(9)(A)(i) – Local Board of Education

- No LEA shall submit a budget to the local legislative body that directly or indirectly supplants or proposes to use state funds to supplant any local current operation funds, excluding capital outlay and debt service.

MOE Details



**CY Budgeted Local Revenues \geq
PY Local Budgeted Revenues**



Not a One-Time Pass-Fail Test



**Decrease in Average Daily Membership (ADM)
Allows for MOE Reduction**



Account	Account Description	Budget 2024-2025	Amended Budget 2023-2024	Original Budget 2023-2024	AFR 2023-2024	Actual vs. Budget 2023-2024	2025 Budget vs. 2024 Budget
40110	Current Property Taxes	\$3,573,197.00	\$4,400,000.00	\$4,400,000.00	\$4,391,759.00	(\$8,241.00)	(\$826,803.00)
40120	Trustee's Collections - Prior Year	\$130,000.00	\$130,000.00	\$130,000.00	\$117,217.00	(\$12,783.00)	\$0.00
40130	Curcuit Clk./Clk. & Master Coll. - Prior Yrs.	\$53,000.00	\$53,000.00	\$53,000.00	\$75,391.00	\$22,391.00	\$0.00
40140	Interest & Penalty	\$24,000.00	\$24,000.00	\$24,000.00	\$22,264.00	(\$1,736.00)	\$0.00
40161	Payments in Lieu of Taxes - T.V.A.	\$0.00	\$0.00	\$0.00	\$2,587.00	\$2,587.00	\$0.00
40162	Payments in Lieu of Taxes - Local Utilities	\$3,000.00	\$3,000.00	\$3,000.00	\$0.00	(\$3,000.00)	\$0.00
40163	Payments in Lieu of Taxes - Other	\$41,000.00	\$41,000.00	\$41,000.00	\$17,733.00	(\$23,267.00)	\$0.00
40210	Local Option Sales Tax	\$4,880,000.00	\$4,480,003.00	\$4,480,003.00	\$4,704,868.00	\$224,865.00	\$399,997.00
40270	Business Tax	\$106,000.00	\$81,000.00	\$81,000.00	\$108,978.00	\$27,978.00	\$25,000.00
40320	Bank Excise Tax	\$25,000.00	\$25,000.00	\$25,000.00	\$39,162.00	\$14,162.00	\$0.00
40390	Other Statutory Local Taxes	\$0.00	\$0.00	\$0.00	\$3,634.00	\$3,634.00	\$0.00
	Total County Taxes	\$8,835,197.00	\$9,237,003.00	\$9,237,003.00	\$9,483,593.00	\$246,590.00	(\$401,806.00)
41110	Marriage Licenses	\$1,800.00	\$1,800.00	\$1,800.00	\$5,696.00	\$3,896.00	\$0.00
44120	Lease/Rentals	\$1.00	\$1.00	\$1.00	\$1.00	\$0.00	\$0.00
46851	State Revenue Sharing - TVA	\$430,000.00	\$430,000.00	\$430,000.00	\$430,000.00	\$0.00	\$0.00
	Total Local Revenue per School Records	\$9,266,998.00	\$9,668,804.00	\$9,668,804.00	\$9,919,290.00	\$250,486.00	(\$401,806.00)
Capital Outlay	(Less) Local revenue increases for Capital Outlay	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Debt Service	(Less) Local revenue increases for Debt Service	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Total Adjusted Local Revenue	\$9,266,998.00	\$9,668,804.00	\$9,668,804.00	\$9,919,290.00	\$250,486.00	(\$401,806.00)
	ADM (From TISA Allocation Sheet)	2849.44	2975.43	0.00	0		
	Per Pupil Revenue	\$3,252.22	\$3,249.55	\$0.00	\$0.00		
	Local Match Adjustment	\$0.00					
	Revised Total Adjusted Local Revenue	\$9,266,998.00					
	Required Local Match	\$5,660,192.33					

<https://eplan.tn.gov/>

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Sheriff's Office

T.C.A. 8-20-120

Cannot reduce sheriff's department salaries or employees without the sheriff's consent.



Highway Department

T.C.A. 67-3-901

Allocate funds for road purposes from local revenue sources at an amount not less than the average of the last five fiscal years.





T.C.A. 67-1-506



Assessor may appoint at least one deputy assessor for each 4,500 parcels of property over and above the first 4,500 parcels.

Assessor of Property



Election Commission

T.C.A. 2-12-209

Election commission funds cannot be reduced below previous comparable years.





Public Library

T.C.A. 10-5-101

The secretary of state may establish criteria for joining and for continuing participation in the regional library system.

Secretary of State Requirement:

Level or increased local annual support for public libraries in return for continued support and resources from the Tennessee State Library & Archives and the Regional Library System through the Tennessee Department of State.

Due to the XXXX Regional Library by October 31st

Region:

County(ies):

Library/Library System:

The Office of the Secretary of State, Tennessee State Library and Archives, Regional Library is hereby notified that public funds were appropriated and expended for library services in the fiscal year just completed. This amount will be matched or exceeded during the current fiscal year. In addition, the total number of library operating hours will be maintained, per the *Public Library Service Agreement*. The undersigned acknowledge that failure to meet Maintenance of Effort (MOE) may result in the loss of all regional library services, including materials currently held at the local library(ies) paid for with State and Federal funds, and that responsibility for ensuring compliance with this agreement and the *Public Library Service Agreement* shall be shared by both the local funding entity and the Public Library Board of Trustees.

Report only public tax dollars appropriated and expended for operation of local libraries. Do not include capital or one-time appropriations or expenditures, donated funds, grant funds or pass-through money appropriated by another County or City.

A. Appropriated and Expended by the County(ies):

County(ies)	Appropriated FY 2021-2022	Expended FY 2021-2022	Appropriated FY 2022-2023	Expended FY 2022-2023	Appropriated FY 2023-2024
TOTAL	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

B. Appropriated and Expended by the City(ies):

City(ies)	Appropriated FY 2021-2022	Expended FY 2021-2022	Appropriated FY 2022-2023	Expended FY 2022-2023	Appropriated FY 2023-2024
TOTAL	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

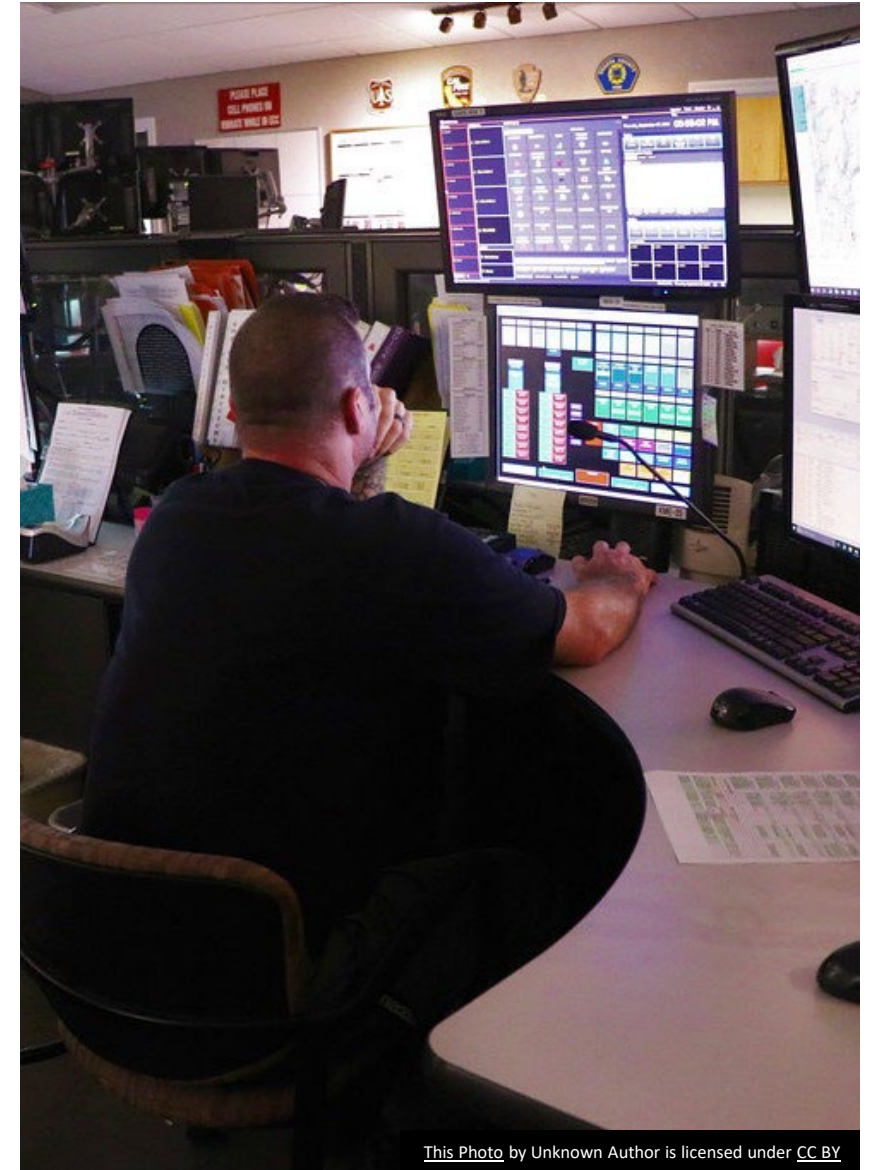
C. Totals:

	Appropriated FY 2021-2022	Expended FY 2021-2022	Appropriated FY 2022-2023	Expended FY 2022-2023	Appropriated FY 2023-2024
TOTAL	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Emergency Communications District

T.C.A. 7-86-303

The board may not reduce the base amount for any emergency communications district unless the local government funding for such emergency communications district is reduced, in which case the board may reduce the base amount by the same amount as the local funding reduction.



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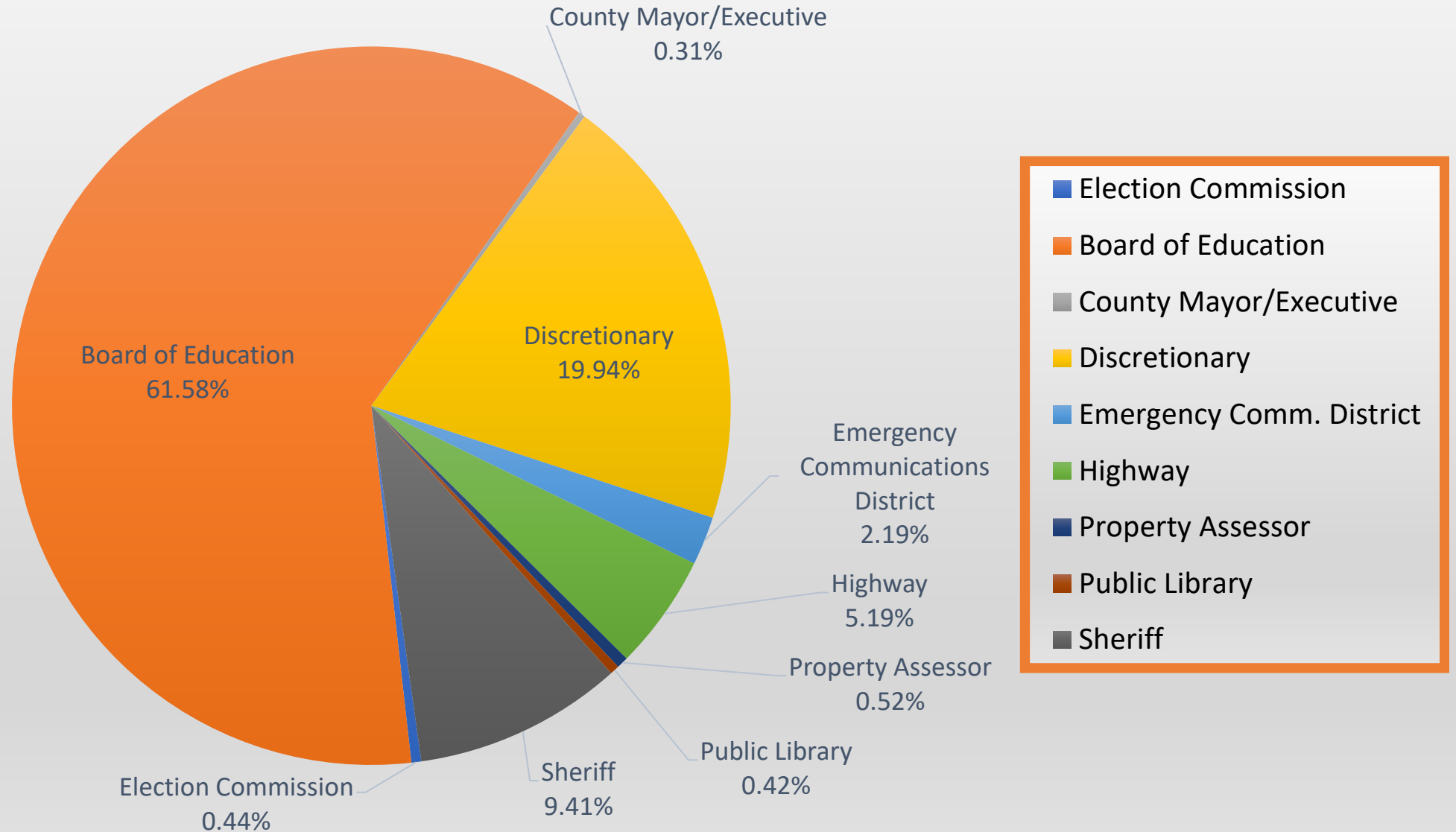
County Mayor

T.C.A. 5-9-408

The county mayor's office budget cannot be reduced below the previous year's amount for personnel, supplies, communication, and other expenses without the mayor's approval.



FY23 Portion of County Total Expenditures



Questions or Comments?





County Technical Assistance Service
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Learn more at www.ctas.tennessee.edu