

SIGNIFICANT DISPROPORTIONALITY FISCAL FREQUENTLY ASKED QUESTIONS (FAQS)

Revised May 24, 2022

The questions addressed in this document were either discussed by the panelists as part of a presentation recorded in 2021 or are questions commonly raised by Local Educational Agencies (LEAs). The recording of the 2021 presentation can be found at <https://youtu.be/r6En0v7ASPO>

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FISCAL PROCEDURES

What are the fiscal implications of the Assurance of Compliance form for 2022?

ANSWER

The Assurance of Compliance was due within thirty days upon receipt of your Annual Determination notification letter which was emailed to most LEAs on March 14, 2022. This document requires signatures from Superintendent, Special Education Director, School Board Chairperson, and Special Education Local Plan Area (SELPA) Director to convey agreement and ensure compliance with requirements.

Compliance requirements involve seven separate parts:

- Part 1: Reserve exactly fifteen percent of Individuals with Disabilities Education Act (IDEA) Part B funds for Comprehensive Coordinated Early Intervening Services (CCEIS), without reduction of its Maintenance of Effort; review, revision (if applicable), and publicly reporting any policies, procedures, and practices it identifies as contributing to the significant disproportionality.
- Part 2: Annually report to the California Department of Education (CDE) the number of students who receive CCEIS, and the number of students who received early intervening services and subsequently receive special education and related services within two years after receiving CCEIS.
- Part 3: Comply with the provisions of IDEA and federal regulations that define and describe CCEIS, specifically related to the requirement to supplement and not supplant funds – and that CCEIS funds may be used to support a multi-tiered system of prevention and intervention, but not implementation of universal activities to all students in a grade, school, or LEA.
- Part 4: Report to the CDE the appropriate federal grant and subgrant amounts for specific resource code allocations.
- Part 5: Provide to the CDE a budget allocation and allowable costs budget detailing descriptions and amounts by budget line items to implement CCEIS activities; and obtain ten hours of a CDE-approved Technical Assistance (TA) Facilitator for each significantly disproportionate indicator identified.
- Part 6: Implement CCEIS as described in the Essential Questions and Answers document authored by the Offices of Special Education Programs (OSEP) and Rehabilitative Services (OSERS) at the United States Department of Education. There are a number of items related to fiscal implications.
- Part 7: Comply with guidance and monitoring provided by the CDE and certification by the SELPA director of their involvement in development of the CCEIS Programmatic Improvement Process, any addendums, fiscal information, and quarterly reports.

Are the transfers of revenue from the fifteen percent set-aside of federal IDEA funds from resource codes 3310 and 3315 into CCEIS resource codes 3312 and 3318 an 8980 transfer of unrestricted revenue?

ANSWER

Object Code 8980 is not an appropriate code to use, as it is used for the contribution from unrestricted revenue. Since federal IDEA funds in Resources 3310 and 3315 are restricted, then the appropriate object code to use for the revenue transfer to Resources 3312 and 3318 is 8990.

Our SELPA operates a number of regionalized programs on behalf of school districts. Thus, the districts do not get an allocation of these funds, they are all spent at the SELPA level--how do we determine the set-aside?

ANSWER

The LEA's fifteen percent set-aside is based on its Part B allocation even when that allocation is used by another entity in part or in full. SELPAs and the CDE can assist in determining the appropriate Part B allocation to use to determine the required amount of the fifteen percent set-aside. SELPA must provide the LEA the full fifteen percent allocation for CCEIS even when this is not the typical arrangement for the LEA Part B funds.

How do we ensure that all of the fifteen percent set-aside CCEIS dollars are expended within the 27-month period?

ANSWER

Non-compliance around full expenditure is serious. Unexpended funds will be forfeited and returned, and the non-compliant LEA may be subject to further monitoring and fiscal consequences from the CDE or OSEP.

The LEA is required to set aside exactly fifteen percent of its IDEA, PART B (sections 611 and 619) funds to provide CCEIS to address factors contributing the significant disproportionality (34 C.F.R. §300.646 (c) and (d)). A review of expenditures is critical when completing quarterly progress and expenditure reports to ensure timely invoicing. If a service was provided (e.g., professional development costs, contracted services for students, etc.) and not yet invoiced, that expenditure should be included in the next Quarterly Progress and Expenditure Report.

A thorough review prior to the close of Fiscal Year (FY) 2022-23 will prevent missed expenditures that cannot be transferred to the next FY. A review early in FY 2023-24 will help determine if amendments are needed to ensure full expenditures of the CCEIS funds.

What is the process for determining and documenting the fifteen percent set-aside amounts for CCEIS dollars from the federal grant award budget allocation?

ANSWER

SELPA provides the LEAs identified as Significant Disproportionality with estimated set-aside amounts based on the FY 2021- 2022 IDEA Federal Grants. The set-aside amount is fifteen percent of Resource

Code 3310 (CCEIS Resource Code 3312) and Resource Code 3315 (CCEIS Resource Code 3318). LEAs document these amounts on Budget Form 1 of the initial CCEIS plan.

When the new 2022-2023 IDEA federal Grant Award Notifications (GANs) are received by the SELPA (expected Spring, 2023), it will provide the actual amounts to identified LEAs in order to complete an Amended 2022 Budget Allocation form.

Note: If the identified LEA is required to set aside private school proportionate share funds from Resource Code 3310 into Resource Code 3311, the fifteen percent calculation of CCEIS funds must be determined based on the full grant award amount. The private school set-aside may not be deducted prior to the fifteen percent CCEIS calculation.

a. When identified as significantly disproportionate, is the LEA's fifteen percent set-aside for CCEIS an ongoing allocation or one-time money for the 27-month grant award period?

b. Our LEA has been identified for two different fiscal years (FY 2021-22 and FY 2022-23). Do we keep the two allocations of set-aside funds separate? Or are we allowed to make sure the first allocation is expended by the end of the award period and the second allocation is expended by the end of that award period?

ANSWER

a. CCEIS funds are allocated from one year, in this case from the FY 2022–2023 budget. These funds can be used for CCEIS activities across the 27-month period starting July 2022 through September 30, 2024. As implementation of CCEIS activities does not begin until the CCEIS plan is approved, most of these funds would likely be expended in the next fiscal year, in this case FY 2023-2024. Until an LEA has written CCEIS plan approval, it may only expend these funds on plan development activities and contracting a Technical Assistance Facilitator.

b. If the LEA is found significantly disproportionate in two different fiscal years, an additional fifteen percent would need to be set aside from that year's budget, and each allocation is tracked and reported separately. LEAs are required to develop a CCEIS plan and budget for each year of identification. When implementing two separate CCEIS plans, decisions on how the plans align and whether they are implemented simultaneously or chronologically should be made based on LEA data and outcomes from previous plans. Consulting with both a Technical Assistance Facilitator and the Focused Monitoring and Technical Assistance (FMTA) Consultant will help ensure funds are expended appropriately and within the required time frame.

ALLOWABLE EXPENDITURES AND USE OF FUNDS

As the first day of the 27-month cycle is July 1, may LEA funds be used to pay for CCEIS activities beginning this July (2022), with the understanding that those funds will be paid back after the CCEIS plan has been approved?

ANSWER

It depends on the activities the LEA is reimbursing. Costs related to CCEIS plan development can be charged to CCEIS Resource Codes 3312 and 3318 beginning July 1, while implementation costs cannot be paid with CCEIS funds until the LEA has written approval of the CCEIS plan from the CDE. Implementation should not begin prior to approval as the CCEIS funds cannot be applied to activities retroactively. In addition, any expenses related to CCEIS prior to July 1 cannot be funded with CCEIS funds.

Funds for plan development may be used to pay for consultants and group work in planning (e.g., TA Facilitator, substitute costs or stipends for Educational Partners Group members, employee stipends/additional work time or outsourcing to assist in completing qualitative and/or quantitative data assessment, etc.).

a. When completing the CCEIS Budget Form 2: 2022 Allowable Costs Budget, do object code Line Items 5100 and 5800 costs go under the Line Item 5000 – Services and Other Operating Costs?

b. May we add indirect costs to the CCEIS budget?

c. Also, the Expenditures Related to Progress Report form (which is part of the Quarterly Progress and Expenditure Report) includes Line Item 5000 Service/Other Operating Costs for each of the resource codes. However, the CCEIS plan Budget Form 2 includes the 5100 and 5800 Contract Services budget line items. Where should the TA Facilitator's expenses be reported? Should the TA Facilitator's costs be included on the 5000's object code line?

ANSWER

a. Object code Line Items 5100 and 5800 are separated on the CCEIS Budget Form 2 to ensure that indirect costs are not charged above the initial \$25,000 for each individual sub agreement. Any sub agreement amount over \$25,000 should be charged to Object Code 5100 and indirect costs may not be assessed on those sub agreement expenditures. Expenditures for individual sub agreements up to \$25,000 may be coded to 5800 and included in the calculation of the indirect cost rate (ICR).

b. Yes, you may add indirect costs to the CCEIS budget. Please check the CDE website and use the approved ICR for your LEA for each fiscal year. The ICR object code line is 7300.

c. The Quarterly Progress and Expenditure Report does not break down the 5000 object code lines so all expenses that fall into this line item would be included on the same line.

It would be helpful for the LEA to note the breakdown in the description if any of the expenses were for object code line item 5100 as the indirect cost calculation cannot include these expenses. Please note that the CCEIS Budget Form 2: 2022 Allowable Costs Budget includes notes about the 5000 budget line items as highlighted below.

5100 Contract Services (ICR cannot be used for Object Code 5100)

5800 Contract Services *Services for the same vendor are capped at \$25,000 in 5800 budget line. The remainder must be moved into the 5100 budget line.

Do preschool funds transferred to CCEIS still have to be utilized for preschool services?

ANSWER

Funds transferred from the federal preschool grant need to be used to implement the CCEIS plan. These funds are not specific to preschool students. It is also possible to use all CCEIS funds for preschool students.

How can we put money into Early Intervening Services when students come to us starting in the ninth grade?

ANSWER

Often, students transition to the high school as ninth-graders with IEPs. A high school district may have limited control over the number and percentage of students identified by specific disability groups and practices of feeder schools may be inconsistent with the high school. Reviewing the age of entry is specifically important to determine when students are first identified as eligible for special education. This can be done using your Special Education Information System (SEIS) data.

A review of practices around triannual evaluations can provide helpful information and working with feeder LEAs and SELPA around factors contributing to disproportionality is highly recommended. LEAs may want to invite feeder school representatives to one or more of their Educational Partners Group meetings.

Are we able to use some of these funds to retain a position like a Multi-Tiered System of Support (MTSS) Coordinator?

ANSWER

This is very tricky! The key word is "retain." Just changing the funding source would lend itself to supplanting, and a change in funding alone will not address the factors that contribute to significant disproportionality. So, the quick answer is NO. However, if the prior position of an existing staff member was eliminated, then the newly created position (funded with CCEIS funds) must have a different job description that ties directly to the implementation of approved CCEIS plan activities. It is important to note that the LEA cannot fund the position with CCEIS funds before the CCEIS plan is approved (likely end of January 2023).

When using two funding sources for a position it is important to keep an accounting of time to justify duties/responsibilities related to the funding. One example could be that additional work time or stipends are provided to teachers on special assignment to provide coaching to other teachers to implement evidenced-based MTSS strategies.

We are making plans for next year and we are anticipating a new position (MTSS Coordinator). Can we use CCEIS funds for this position? If we wait until our plan is approved, can we allocate funding from July-December towards the position? Will this be considered supplanting because we are hiring prior to the CCEIS plan being completed and approved?

ANSWER

If a position is triggered by the CCEIS plan (funding someone to address root cause issues) then it should be clearly noted in the plan that this is a NEW position, and that funding will come from two sources. For example, the position may be funded by general fund dollars and CCEIS dollars. However, expenses can only be charged to CCEIS for the time period after the plan approval.

Note: A justification for the co-funded position could be prior data analysis revealed factors that may have or will have contributed to the LEA's significant disproportionality.

Note: For both questions about funding positions, ALL positions or partial positions can only be funded with CCEIS funds if the staff is providing direct services to the selected target student group or overseeing/supporting those direct services.

Is the requirement that a Technical Assistance (TA) Facilitator must be contracted for 10 hours per indicator?

ANSWER

Yes, it is a minimum of 10 hours per indicator for which the LEA has been found significantly disproportionate. For example, if an LEA is identified as significantly disproportionate in two areas, a minimum of 20 hours would be required.

Why is it mandated to hire a TA Facilitator while there is no money for it?

ANSWER

The requirement of using a TA facilitator can be, and usually is, paid for with the CCEIS set-aside money. This requirement was put into place for several reasons. First, evidence-based practices on systemic change demonstrate the importance of guidance from a trained expert in the field especially when identifying root causes of significant disproportionality, developing improvement actions/activities, and measuring those actions accomplished to achieve outcomes. Second, the CDE has noted differences in quality of plans submitted with TA Facilitator support versus without support. Third, SPP-TAP TA Facilitators belong to a cadre of trained experts who receive regular information from SPP-TAP on promising practices and updates in state and federal guidance.

It is important to be specific in your agreement with the TA Facilitator on what their role will entail.

MONITORING AND REPORTING

Based on the Programmatic Improvement Action Plan, do the students served have to match the students served in the quarterly progress report?

ANSWER

Yes, the target population identified in the Programmatic Improvement Action Plan will be the group of students who receive the early intervening services articulated in the CCEIS plan and reported on in the Quarterly Progress and Expenditure Reports. The estimated number of students served may not match the number students served in any given quarter; however, the criteria used to determine which students receive CCEIS should not change without approval from the CDE.

Additionally, the LEA will need to provide its SELPA with student information to report to the CDE on the SELPA Table 8 report. This information includes the number of students who received CCEIS under the

IDEA in the LEA as well as the total number of students who received CCEIS under the IDEA and were later identified and received special education and/or related services from the LEA.

How is the CCEIS Quarterly Progress and Expenditure Report connected to the Special Education Federal Grant Expenditure Report and how can LEAs and SELPAs ensure alignment and timely reimbursement?

ANSWER

Accurate reporting requires collaboration between fiscal and program staff at the LEA level along with the SELPA. Expenditures must relate to specific activities on the CCEIS plan and be tied directly to the target population.

In addition to the CCEIS Quarterly Progress and Expenditure Reports submitted by the LEA, SELPA submits a corresponding Federal Grant Expenditure Report. It is critical that the amount on the report SELPA submits (line item D on the SELPA report) is accurate. SELPAs should double check that the CCEIS expenditure amount (line item D) matches the total of what each Significantly Disproportionate LEA submits on the CCEIS Quarterly Progress and Expenditure Report. This is especially important at year-end as the CCEIS report may be submitted prior to the books being closed as these reports are due ten days after the end of the reporting period, while grant expenditure reports are due thirty days after the end of the reporting period.

Note: For SELPAs with multiple LEAs in Significant Disproportionality, it is important to ensure that all progress reports have been sent and approved for the specific quarter that the SELPA is asking for reimbursement. If these amounts do not match, or the CDE has not received and approved all necessary progress reports, the CDE cannot approve the expenditure report to make the payment. This will result in a delay in reimbursement to the SELPA for the entire amount being requested on the expenditure report until the CCEIS discrepancy is fixed.

What is the connection between the CCEIS plan and the Local Control and Accountability Plan (LCAP)?

ANSWER

The CCEIS plan is not a component of the LCAP. However, the LEA should use the LCAP to identify current initiatives and LEA priorities related to the factors that contribute to significant disproportionality. Integration and alignment of these efforts is highly recommended. A description of these initiatives, funding sources, and target populations would be included in Section 2.1 Complete a Local Educational Agency (LEA) Initiative Inventory of the CCEIS plan.

Will CCEIS plans be monitored to ensure that expenditure of funds is related to the identified root causes and the Programmatic Improvement Action Plan?

ANSWER

Yes, CCEIS plan implementation will be monitored through the Quarterly Progress and Expenditure Reports. These reports are in a single document and both parts must be approved by the CDE prior to reimbursing expenditures.

What is the responsibility and accountability expected of general education in this process?

Why are the requirements, auditing, and monetary penalties on special education rather than on the full general education system where the root cause of systemic racism has resulted in special education disproportionality?

ANSWER

Mandates for the identification, addressing, and monitoring of significant disproportionality are regulated through IDEA. The identification is triggered by disparities in special education based on race and ethnicity. As CCEIS activities primarily are implemented in general education, the intent is to address root causes that stem from general education, and such, it is a general education plan. In most situations, general education staff are responsible for the implementation of CCEIS and monitoring of improvements in student outcomes. As the funds are reallocated special education funds, tracking and monitoring activities, and budgets, take teamwork from both general education and special education.

The LEA may use funds reserved for CCEIS to serve children from age three through grade twelve, particularly, but not exclusively, children in those groups that were significantly over-identified, including children not currently identified as needing special education or related services but who need additional academic and behavioral support to succeed in a general education environment and children with disabilities. (34 C.F.R. §300.646(d)(2)) The LEA may not limit CCEIS only to children with disabilities. (34 C.F.R. §300.646(d)(3)) Source: IDEA Part B Regulations: Significant Disproportionality (Equity in IDEA), 81 FR 92376 (December 19, 2016), *Essential Questions and Answers*, March 2017.



In developing the CCEIS plan, why it is important to connect the expenditures to outcomes?

ANSWER

The CDE is responsible for monitoring appropriate use of CCEIS funds.

There are numerous sections in the CCEIS plan that have direct connection to the allocations and expenditures. When identifying measurable outcomes, target population, and activities, the LEA needs to be very clear as to the who is receiving and providing services and how budget line items are aligned to each CCEIS activity. Provided below are a few questions to ask when connecting expenditures to outcomes.

- (a) What are effective ways of connecting CCEIS and blended funding (reported in the LEA Initiative Inventory) to activities listed in the Programmatic Improvement Action Plan?
- (b) Are funds expended in alignment with each measurable outcome?
- (c) Is the allocation of funds clearly tied to the CCEIS activities supported by identified root causes and target population?

a. How many CCEIS Quarterly Progress and Expenditure Reports are there and are they all required?

b. When no funds are spent in a given report period, the LEA and the SELPA still submit a report that says zero, correct?

ANSWER

a. There are seven-CCEIS Quarterly Progress and Expenditure Reports as shown below. Report 1 is optional. As many LEAs do not submit Report 1, the expenses and activities expenses incurred between July 1 through December 31 should be claimed on Report 2. That would include any costs tied to TA Facilitator support and CCEIS plan development.

The first report is due after the initial six-month period, and quarterly thereafter within ten days after the ending date of each report period.

- Report 1: July 1, 2022, to December 31, 2022 (optional) – Due Date: January 10, 2023
- Report 2: January 1, 2023, to March 31, 2023 – Due Date: April 10, 2023
- Report 3: April 1, 2023, to June 30, 2023 – Due Date: July 10, 2023
- Report 4: July 1, 2023, to September 30, 2023 – Due Date: October 10, 2023

- Report 5: October 1, 2023, to December 31, 2023 – Due Date: January 10, 2024
- Report 6: January 1, 2024, to March 31, 2024 – Due Date: April 10, 2024
- Report 7: April 1, 2024, to June 30, 2024 – Due Date: July 10, 2024
- FINAL Report: July 1, 2024, to September 30, 2024 – Due Date: October 10, 2024

b. When no funds are expended in a given reporting period, the CCEIS Quarterly Progress and Expenditures Report must still be submitted. The grant expenditure report would show -0- under the CCEIS line item. The narrative progress report should describe what is happening with CCEIS implementation. If CCEIS activities did not occur, the report would include their reasons for delayed implementation. If funds have been fully expended, the Quarterly Progress Report would indicate completion of the services or description of alternative funding to sustain implementation.

BUDGETARY IMPACTS AND MAINTENANCE OF EFFORT

LEA 2022-23 budgets may be significantly impacted by the fifteen percent set-aside. What are the considerations for mitigating the budgetary impacts of the CCEIS process?

ANSWER

CCEIS funds are federal dollars and the CDE cannot mitigate the budgetary impact. LEAs must adhere to the fifteen percent set-aside as mandated by IDEA and CDE, and must adhere to its Maintenance of Effort (MOE) requirements.

a. The allocation of fifteen percent of Part B funds will affect our MOE reporting. How do we handle this? And if MOE is based on special education expenditures, why is MOE increased when the IDEA monies are being spent on general education interventions in the CCEIS plan?

b. When we are no longer identified as significantly disproportionate, is our MOE still impacted?

ANSWER

Note: See Maintenance of Effort Overview at the end of this document for detailed MOE reporting requirement information.

a. LEAs are required to complete the MOE reports for annual submission to CDE and must show they have met the level of effort as required by IDEA. There are four different tests on the MOE report based on state and local special education expenditures and local only special education expenditures, but an LEA needs to pass just one test to meet the MOE requirement.

Note: The LEA is only required to pass one of the tests to meet the MOE requirement. However, the LEA is required to show results for all methods.

The fifteen percent of Part B funds that need to be set-aside for CCEIS expenditures comes from federal IDEA funding which is not part of the MOE test requirement. When these funds are transferred to a non-special education resource code, the expenses that previously would have been charged to a federal resource code may need to be covered by state and/or local funds, increasing the expenses in those state and/or local resources.

For example:

An LEA has been identified as significantly disproportionate and must set aside fifteen percent of federal IDEA funds. The amount of its allocation in Resource Codes 3310 and 3315 is \$1,000,000 so the set-aside in Resource Codes 3312 and 3318 is \$150,000.

- The LEA uses federal funding to cover classified instructional assistant (I/A) positions. The \$150,000 covers the salary and benefits for two I/A positions for one year.
- The LEA will use \$75,000 on CCEIS expenditures per its approved CCEIS plan in both fiscal years one and two.
- The LEA will need to cover \$75,000 in federal expenditures (one I/A position) each fiscal year using state special education funding, local contribution, or a combination of both state and local funding because the revenue transferred from special education to general education. This will increase the amount of special education expenditures reported on the MOE for two years.

b. When the LEA has used its entire allocation of CCEIS funds, the federal funding will remain in special education resource codes and the use of state special education funding, local contribution, or a combination of both state and local funding is no longer needed to cover the expenses. This will cause the amount of special education expenditures in state and local resources and or local only resources to decrease, which may impact the LEA's MOE.

The LEA should monitor its MOE reports at interim reporting periods to determine if the LEA will meet its MOE requirements every year. It is particularly important to do this after the LEA has been identified as significantly disproportionate. The LEA should review its special education program costs for any areas of potential reduction in special education expenses so that the comparison year level of effort does not increase substantially when the set-aside funds are required for the provision of CCEIS.

Fiscal Year 2022-23 is a critical year for the special education administrator to work closely with the business department to run the MOE reports early and use the Subsequent Years Tracking (SYT) worksheet as quarterly checks to determine if the LEA will meet or exceed the MOE requirement. Changes could be made during the First Interim (starting in October) and Second Interim (March).

After the LEA has gone through First Interim, unexpected changes may have occurred. For example, the LEA may no longer be transporting as many students as before, or it may have a reduction in nonpublic or agency costs, experience declining enrollment, or more intensive supports or services are required. Some of these areas could reduce or decrease expenses. To offset an increase in MOE which sets a new and higher base, work with your team (fiscal, special education, and human resources) to identify what can be transferred into general education. For example: conduct time studies for administrators, nurses, and psychologists to determine the percentage of time spent in general education and transfer that portion into a non-special education resource code.

SPECIAL EDUCATION MAINTENANCE OF EFFORT (MOE) OVERVIEW

Source: MOE Instructions from Standardized Accounting Code Structure (SACS) Software 2020-21

Source: Exempt Reduction to Maintenance of Effort Template (revised 4-23-15)

BACKGROUND INFORMATION

The Special Education MOE (SEM) reports are used to determine if an LEA met the MOE required by the federal IDEA and implementing regulations. In summary, an LEA may not reduce the amount of local, or state and local, funds that it spends for the education of children with disabilities below the amount it spent for the preceding fiscal year. There are two components to the LEA MOE requirement – the eligibility standard and the compliance standard.

There are two types of reports: SEMA and SEMB as explained below.

- Prior Year Actuals versus Second Prior Year Actuals (SEMA)
- Grant Year Budget to Prior Year Expenditures (SEMB)

The eligibility standard requires that, except in specified situations, in order to find an LEA eligible for IDEA Part B funds for the upcoming fiscal year, the LEA should have budgeted for the education of children with disabilities at least the same amount of local, or state and local, funds, as it actually spent for the education of children with disabilities during the most recent year for which information is available (34 C.F.R. Section 300.203(a)).

The compliance standard requires that, except in specified situations, an LEA should not reduce the level of expenditures for the education of children with disabilities made from local, or state and local, funds, below the level of those expenditures from the same source for the preceding fiscal year (34 C.F.R. Section 300.203(b)).

An LEA may use the following four methods to meet both the eligibility and compliance standards:

- Combined state and local expenditures;
- Combined state and local expenditures on a per capita basis;

- Local expenditures only;
- Local expenditures only on a per capita basis.

Note: The LEA is only required to pass one of the tests to meet the MOE requirement. However, the LEA is required to show results for all methods. These results are necessary for both historical purposes and for the possibility that the LEA may want, or need, to switch methods in future years.

SUBSEQUENT YEARS TRACKING (SYT)

The Subsequent Years Tracking (SYT) worksheet is used to determine if the LEA is comparing the actual expenditures of the SEMA and the budgeted expenditures of the SEMB to the appropriate comparison year for each of the four methods back to FY 2011–12, which is the base year for the LEA MOE calculations. Per the IDEA, an LEA may meet the compliance standard using any one of four methods listed above. The comparison year for determining if an LEA meets the compliance standard is the last year the LEA met MOE using the same method and might vary depending on each method. The LEA is required to submit the SYT worksheet with the SEMA and SEMB reports.

EXEMPT REDUCTIONS UNDER 34 CODE OF FEDERAL REGULATIONS SECTION 300.204

The LEA may reduce the level of expenditures below the level of the preceding fiscal year if the reduction is attributable to any of the following reasons. If the total justifications equal/exceed the MOE shortfall, fiscal effort has been maintained for the reporting year.

- The voluntary departure, by retirement or otherwise, or departure for just cause, of certificated and/or classified special education or related services personnel (does not include contract non-renewal or staff lay-off due to budget shortfall).
- A decrease in the enrollment of children with disabilities.
- The termination of the obligation of the agency to provide a program of special education to a particular child with a disability that is an exceptionally costly program because:
 - Child has left the jurisdiction of the agency; OR
 - Child has reached the age at which the obligation of the agency to provide free and appropriate public education (FAPE) to the child has terminated; OR
 - No longer needs the program of special education.
- The termination of costly expenditures for long-term purchases, such as the acquisition of equipment or the construction of school facilities (must have per unit cost of \$5,000 or more).

“50 PERCENT RULE”



LEAs found significantly disproportionate for the current year are NOT eligible to use this option to reduce their MOE requirement.

Under federal law and regulations, an LEA may reduce its required MOE by not more than fifty percent of the increase, minus the amount of Part B funds the LEA chooses to use for early intervening services (EIS). The LEA must use an amount of state or local funds equal to the reduction in the required level of expenditures used in this section, to carry out activities that could be supported with funds under the Elementary and Secondary Education Act of 1965 (ESEA), regardless of whether the LEA is using funds under the ESEA for those activities (IDEA of 2004, Section 613(a)(2)(C)).

DUE DATES

The SEMA and SEMB reports are due as follows:

Due to SELPA Administrative Unit:	October 15: LEA worksheets from member LEAs
Due to CDE:	November 15: SELPA worksheet, and LEA worksheets from member LEAs