

Special Education Local Plan Area (SELPA) Local Plan

SELPA

Fiscal Year

## **LOCAL PLAN**

### **Section D: Annual Budget Plan**

#### **SPECIAL EDUCATION LOCAL PLAN AREA**



California Department of Education

Special Education Division

Local Plan Annual Submission

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## Local Plan Section D: Annual Budget Plan

Projected special education budget funding, revenues, and expenditures by LEAs are specified in **Attachments II–V**. This includes supplemental aids and services provided to meet the needs of students with disabilities as defined by the Individuals with Disabilities Education Act (IDEA) who are placed in regular education classrooms and environments, and those who have been identified with low incidence disabilities who also receive special education services.

**IMPORTANT:** Adjustments to any year’s apportionment must be received by the California Department of Education (CDE) from the SELPA prior to the end of the first fiscal year (FY) following the FY to be adjusted. The CDE will consider and adjust only the information and computational factors originally established during an eligible FY, if the CDE's review determines that they are correct. California *Education Code (EC)* Section 56048

Pursuant to *EC* Section 56195.1(2)(b)(3), each Local Plan must include the designation of an administrative entity to perform functions such as the receipt and distribution of funds. Any participating local educational agency (LEA) may perform these services. The administrative entity for a multiple LEA SELPA or an LEA that joined with a county office of education (COE) to form a SELPA, is typically identified as a responsible local agency or administrative unit. Whereas, the administrative entity for single LEA SELPA is identified as a responsible individual. Information related to the administrative entity must be included in Local Plan Section A: Contacts and Certifications.

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**TABLE 1**

Special Education Projected Revenue Reporting (Items D-1 to D-3)

D-1. Special Education Revenue by Source

Using the fields below, identify the special education projected revenue by funding source. The total projected revenue and the percent of total funding by source is automatically calculated.

Funding Revenue Source	Amount	Percentage of Total Funding
Assembly Bill (AB) 602 State Aid	<input type="text" value="56,083,130"/>	69.38%
AB 602 Property Taxes	<input type="text" value="7,182,317"/>	8.89%
Federal IDEA Part B	<input type="text" value="16,319,106"/>	20.19%
Federal IDEA Part C	<input type="text" value="66,978"/>	0.08%
State Infant/Toddler	<input type="text" value="1,181,771"/>	1.46%
State Mental Health	<input type="text"/>	0.00%
Federal Mental Health	<input type="text"/>	0.00%
Other Projected Revenue	<input type="text"/>	0.00%
<b>Total Projected Revenue:</b>	<b>80,833,302</b>	<b>100.00%</b>

D-2. "Other Revenue" Source Identification

Identify all revenue identified in the "Other Revenue" category above, by revenue source, that is received by the SELPA specifically for the purpose of special education, including any property taxes allocated to the SELPA pursuant to *EC* Section 2572. *EC* Section 56205(b)(1)(B)

D-3. Attachment II: Distribution of Projected Special Education Revenue

Using the form template provided in **Attachment II**, complete a distribution of revenue to all LEAs participating in the SELPA by funding source.

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**TABLE 2**

**Total Projected Budget Expenditures by Object Code (Items D-4 to D-6)**

**D-4. Total Projected Budget by Object Code**

Using the fields below, identify the special education expenditures by object code. The total expenditures and the percent of total expenditures by object code is automatically calculated.

<b>Object Code</b>	<b>Amount</b>	<b>Percentage of Total Expenditures</b>
Object Code 1000—Certificated Salaries	<input type="text" value="63,034,549"/>	27.57%
Object Code 2000—Classified Salaries	<input type="text" value="41,897,845"/>	18.32%
Object Code 3000—Employee Benefits	<input type="text" value="46,479,199"/>	20.33%
Object Code 4000—Supplies	<input type="text" value="2,619,449"/>	1.15%
Object Code 5000—Services and Operations	<input type="text" value="38,876,872"/>	17.00%
Object Code 6000—Capital Outlay	<input type="text" value="106,180"/>	0.05%
Object Code 7000—Other Outgo and Financing	<input type="text" value="35,636,657"/>	15.59%
<b>Total Projected Expenditures:</b>	<b>228,650,750</b>	<b>100.00%</b>

**D-5. Attachment III: Projected Local Educational Agency Expenditures by Object Code**

Using the templates provided in **Attachment III**, complete a distribution of projected expenditures by LEAs participating in the SELPA by object code.

**D-6. Code 7000—Other Outgo and Financing**

Include a description for the expenditures identified under object code 7000:

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**TABLE 3**

Federal, State, and Local Revenue Summary (Items D-7 to D-8)

D-7. Federal Categorical, State Categorical, and Local Unrestricted Funding

Using the fields below, enter the projected funding by revenue jurisdiction. The "Total Revenue From All Sources" and the "Percentage of Total Funding" fields are automatically calculated.

Revenue Source	Amount	Percentage of Total Funding
Projected State Special Education Revenue	<input type="text" value="64,447,218"/>	28.19%
Projected Federal Revenue	<input type="text" value="16,386,084"/>	7.17%
Local Contribution	<input type="text" value="147,817,448"/>	64.65%
<b>Total Revenue from all Sources:</b>	228,650,750	100.00%

D-8. Attachment IV: Projected Revenue by Federal, State, and Local Funding Source by Local Educational Agency

Using the CDE-approved template provided in **Attachment IV**, provide a complete distribution of revenues to all LEAs participating in the SELPA by federal and state funding source.

D-9. Special Education Local Plan Area Allocation Plan

- a. Describe the SELPA's allocation plan, including the process or procedure for allocating special education apportionments, including funds allocated to the RLA/AU/responsible person pursuant to *EC* Section 56205(b)(1)(A).

Income Distribution Agreement for 2024 – 2025

Income Distribution Agreement Funding Allocation Principles

1. Fairness and equity shall be the basis of the development of this Income Distribution Agreement.
2. Federal and state revenues will flow directly from the state to the SELPA Administrative Unit, which is currently the Monterey County Office of Education (COE). In turn, the SELPA Administrative Unit will allocate the funds to SELPA members according to this Income Distribution Agreement.
3. SELPA member districts will retain their own decision making on how to use their funds in serving special education students based on needs outlined in their Individualized Education Programs (IEPs).
4. This Income Distribution Agreement will be kept as simple as possible and yet be flexible and

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useful in serving special education students.

5. The distribution of funding will be understandable, predictable, and timely.

6. SELPA members will commit to timely reporting and analysis of all relevant data necessary for the allocation and distribution of funds.

7. Disputes regarding this Income Distribution Agreement will be resolved at the lowest level possible with final appeal to the SELPA Governance Council.

8. The Income Distribution Agreement will provide support for the development of cost-effective programs for all students, while not providing an incentive for districts to over-identify students for special education services.

9. The Income Distribution Agreement will recognize that districts have been, and will need to continue, contributing LCFF revenue and general fund contributions to cover special education costs.

#### Term of Agreement

This agreement is for a one year period beginning with July 1st of the 2024 – 2025 school year and ending on June 30th of the 2024 – 2025 school year. The SELPA Executive Committee or the SELPA Governance Council may initiate a review, and if necessary, a revision to the terms of this agreement.

#### AB 602 Funding

#### Base Entitlement

All funds from this entitlement will be distributed to districts (including funds generated by charter schools hosted by that district), MCOE charter schools, and MCOE alternative education programs based on the prior year's K-12 average daily attendance (ADA) at P-2.

Funding amounts for each SELPA are calculated by CDE through the Principal Apportionment. Principal Apportionment calculations are made three times for each fiscal year – the First Principal Apportionment (P-1) is certified by February 20th, the Second Principal Apportionment (P-2) is certified by June 25th, and the Annual calculation is certified by February 20th of the following year (at the same time as the following year's P-1 certification). The SELPA's Administrative Unit then distributes the funds to school districts upon receipt.

The funds are distributed to each SELPA based on the following Principal Apportionment schedule:

July - 5.00% of the advance apportionment

August - 5.00% of the advance apportionment

September - 9.00% of the advance apportionment

October - 9.00% of the advance apportionment

November - 9.00% of the advance apportionment

December - 9.00% of the advance apportionment

January - 9.00% of the advance apportionment

February - 20% of the apportionment or 1/5 of balance due

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March - 20% of the apportionment or 1/5 of balance due  
April - 20% of the apportionment or 1/5 of balance due  
May - 20% of the apportionment or 1/5 of balance due  
June - Balance Due

#### SELPA-Wide Growth

Income received as the result of SELPA-wide increase in ADA will be distributed to districts, MCOE charter schools, and MCOE alternative education programs proportionate to their increase in ADA. Districts in declining enrollment will not be eligible to receive any portion of SELPA-wide growth funding.

#### SELPA-Wide Decline

Reduction in funding as the result of a SELPA-wide decline in enrollment will be applied to the SELPA-wide base entitlement. The reduced base entitlement will then be distributed as outlined in the Base Entitlement section of this agreement.

#### Deferrals

The SELPA Administrative Unit, using the same allocation formula established for each funding source, will distribute any deferred revenue, upon receipt.

#### Regionalized Services and Program Specialists

Funds for regionalized operations and services and the direct instructional support of program specialists are apportioned to the special education local plan areas through the AB 602 funding allocation. As a condition of receiving these funds, the SELPA shall ensure that all functions are performed in accordance with the description set forth in the local plan and Education Code 56836.23.

#### Funds to Support Students with Low Incidence Disabilities

\$250,000 of the funds received through the AB 602 allocation to support special education and related services as required in each IEP for students with low incidence disabilities shall be retained annually by the SELPA for the current fiscal year and used to purchase approved items for these students (see the "Low Incidence Books, Materials, and Equipment Funds" section of Chapter 7 of Part I, Program Procedures in this handbook for further information).

Funds allocated in excess of the \$250,000 SELPA equipment budget will be distributed to districts (including funds generated by schools hosted by that district), MCOE charter schools, and MCOE alternative education programs based on the current year's LI count of LEA students on CALPADS Census Day. Prior to the release of funds, each LEA receiving funds must submit a report to the SELPA by June 1st, of the allocation year, identifying how the funds are used. The SELPA will review the plan to verify that the funds are being utilized appropriately. Any concerns regarding the

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reports will be discussed with the LEA in order to resolve the concerns. All reports must ensure that the funds will be used only to provide services or equipment as identified on IEPs for students who are determined to have a low incidence disability.

Low incidence funds spent on equipment by the district will require equipment tracking similar to that utilized at the SELPA level to ensure that equipment and device inventory is monitored for the appropriate utilization and transfer of items to the students requiring them.

#### Out-of-Home Care

Out-of-Home Care funds will be retained at the SELPA level to assist in covering costs that are incurred as a result of student placement in group homes or licensed children's institutions (LCIs) and other special circumstances. Funding will be provided to LEAs via an application process and is contingent upon the availability of sufficient funds. Funds will be allocated as follows:

Reimbursement to LEAs of 100% of the fee for enrollment in a nonpublic school (NPS), as required by an IEP, for a student placed in a group home or LCI within Monterey County by a public agency other than education (e.g., Social Services, Probation, Regional Center) and when required to continue payment for residential nonpublic, nonsectarian school, following a student transfer to another SELPA as indicated in California Education Code 56325 (c).

Reimbursement of 25% of excess cost for enrollment in MCOE special education programs, as required by an IEP, for a student placed in a group home or LCI within Monterey County by a public agency other than education (e.g., Social Services, Probation, Regional Center).

Following payment for the placements of students in group homes, residential placements, and licensed children's institutions (LCIs) as indicated above, the remaining Out-of-Home Care funds will be utilized to supplement the funding of the Special Purpose Funding Pools, if necessary. Funds not expended from the pool at the end of each year will be carried over to the next year.

#### Remote Necessary Small School Districts (Big Sur Alternate Funding Calculation)

The Monterey County SELPA recognizes that school districts qualifying as necessary small school districts that are unable to benefit from participation in regional programs due to being at least 50 miles from any neighboring school district within the SELPA are faced with unique challenges. These districts must be prepared to provide appropriate special education and related services to a small number of students, with a wide range of needs, all within the neighborhood school, and with limited staff. In order to ensure that all students with special education needs have access to an appropriate level of support, the qualifying school district shall receive its special education funding allocation based upon an alternative calculation, as described in the next paragraph, unless the district would receive a higher level of funding using the same formula that is used for all other school districts and defined throughout this document. An analysis of which calculation will yield the higher allocation will be conducted prior to the beginning of each fiscal year.

To determine the alternate calculation for qualifying districts, as described in the paragraph above,



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the LEA's portion of the Federal IDEA Local Assistance Entitlement Grant and any one-time special education funding will be subtracted from the total cost of the regular salary and benefits of a qualified teacher assigned to special education, for 60% of the school year, based upon 180 workdays per year. The resulting difference will yield the dollar amount of the district's AB 602 allocation plus its augmentation and will be provided from AB 602 funds prior to distribution of those dollars to other member LEAs. The district will be responsible for covering any additional costs for special education and related services required by its students as part of its general fund contribution.

**Special Education Property Taxes**

As calculated by CDE revenue exhibits, Monterey County Special Education Local Plan Area receives 0.277128 of the secured and unsecured property taxes allocated to the Monterey County Office of Education. This property tax revenue will be allocated as indicated below:

Allocation to Shared Costs and Special Purpose Funding Pools as indicated below:

- a. Contract for IEP Documentation (SIRAS) – \$107,190
- b. SELPA-Wide Personnel Development – \$30,000
- c. Small School District Reserve – \$200,000
- d. Non-Public School Pool – \$250,000
- e. Extraordinary Cost Pool – \$175,000

The MCOE Alternative Education Department will receive its share of the special education property tax income based upon its percentage of the prior year's county-wide P2 ADA.

Allocation to MCOE Regional Programs – Remaining special education property tax income allocated to MCOE to offset the programs below:

- a. Multiple Disabilities Programs at ABI, Ruth Andresen, and Gabilan Schools
- b. MCOE Deaf/Hard of Hearing Program Classes and Educational Interpreters
- c. Remaining programs in the SDC cost center

**Contract for IEP Documentation**

To fund the costs of the annual contract for IEP Documentation, a SELPA account will be funded at the cost of the annual contract each year from the Special Education Property Tax allocation. If the costs of maintenance and development exceed the funded amount, additional funding from the apportionment for these purposes will require the approval of the SELPA Governance Council.

**SELPA-Wide Personnel Development**

These funds, previously allocated by the state directly to SELPAs, were included in the AB 602 base funding beginning in 2013-14. Beginning in 2024-2025, \$30,000 will be retained annually by the SELPA from the Special Education Property Tax allocation for provision of a personnel development

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program that meets the highly qualified teacher requirements and ensures that all personnel necessary to carry out this part are appropriately and adequately prepared.

#### Small School District Reserve

Funds placed into the small school district reserve will be available for use by small school districts with an ADA of less than 350 to assist in paying for excess costs that pose an unusually severe hardship upon the district. This reserve will be funded at \$200,000 each year. Funds not expended from the pool at the end of each year will be carried over to the next year.

#### Non-Public School Pool

Reimbursement to LEAs for 50% of the fee for regular tuition in a NPS, as required by an IEP, for any Monterey County student. Reimbursement to LEAs for 100% of the fee for regular tuition in a NPS, as required by an IEP, if the placement is at a residential treatment center. If requests exceed available funding, reimbursements will be prorated to equalize funding across applicants. Funds not expended from the pool at the end of each year will be carried over to the next year.

#### Extraordinary Cost Pool

It is the intent of the SELPA to self-insure member LEAs in order to assist in covering extraordinary costs that are incurred as a result of factors deemed outside the control of an LEA. To this end, an extraordinary cost pool will be funded at \$175,000 from the special education property tax allocation each year. Funds not expended from the pool at the end of each year will be carried over to the next year.

Reimbursement will be provided to LEAs, upon their request, for qualifying circumstances. Examples of qualifying criteria include: reimbursement of up to 25% for MCOE regional program placements; reimbursement in addition to the other funds reimbursed for nonpublic school placements; extraordinary budget circumstances; and funding for new program development. Districts with approved requests will be reimbursed for up to 50% of the total cost of the qualifying circumstance, provided funds are available (up to 25% reimbursement for MCOE regional program placements).

#### Application Process for the Non-Public School Pool, Extraordinary Cost Pool, Small School District Reserve, and Out-of-Home Care funds

To be considered for funding from the Special Purpose Funding Pools, a district must complete and submit an application to the SELPA. The applications for the Non-Public School Pool and Out-of-Home Care funds must be received by the SELPA no later than September 15th of the subsequent fiscal year in order to be eligible to receive funds. The applications for the Extraordinary Cost Pool and Small School District Reserve must be received by the SELPA no later than November 15th of the subsequent fiscal year in order to be eligible to receive funds. Invoices for actual expenditures must be submitted by the district to receive reimbursements. Funding determinations will be made once all invoices have been received for the accurate calculation of reimbursements within the

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funding pool.

Applications will be reviewed by the SELPA Executive Director to verify that the request for additional funding appears valid based upon criteria specified in the application. The SELPA Executive Director may seek input from appropriate advisory committees as determined necessary. Following review of the application, the SELPA Executive Director will recommend approval or denial to the SELPA Executive Committee. If the district disagrees with the decision of the SELPA Executive Committee, the decision may be appealed to the SELPA Governance Council.

#### Infant Entitlement

The SELPA receives two Infant Entitlement Grants that support programs for children aged birth through 3 years and are generated through J-50 reporting. These grants are distributed to the two LEAs that offer Part C, Early Start Programs: MCOE Special Education and Monterey Peninsula Unified School District.

#### Local Assistance Entitlement

The Local Assistance Entitlement Grant is for students between the ages of five and 22 years. This grant is distributed to districts, MCOE special education department, MCOE charter schools, and MCOE alternative education based upon the previous year's final certified CALPADS special education student count. The SELPA AU distributes funds to districts upon receipt of apportionments.

#### Other Grants

##### Federal Preschool Grant

The federal Preschool Grant provides funding for special education and services to children with disabilities ages three through five. Preschool grant funds (Resource Code 3315) shall be allocated based on each LEAs proportionate share of eligible and enrolled children using the previous year's final certified CALPADS special education preschool student count for students ages three through five.

##### Preschool Staff Development

Preschool Staff Development funds provide for preschool staff development opportunities for personnel working in preschool programs that serve children with disabilities, ages three through five. Preschool staff development funds (Resource Code 3345) shall be allocated based on each LEAs proportionate share of eligible and enrolled children using the previous year's final certified CALPADS special education preschool student count for students ages three through five. If an LEA elects not to receive these funds, their funds will be redistributed to the remaining LEAs to offset the program expenditures made for this purpose. Notification to decline funds should be provided to the SELPA by May 1st, prior to the fiscal year that funds will be distributed.

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Part C, Early Start

These funds are allocated to SELPAs for the purpose of planning and implementing a comprehensive, community-based interagency system of early intervention services for infants and toddlers with disabilities and their families. These grants are distributed to the two LEAs that offer Part C, Early Start Programs based on each LEAs proportionate share of eligible and enrolled children: MCOE Special Education and Monterey Peninsula Unified School District.

Infant Discretionary

These funds are for direct early education services for infants who have disabilities and are specifically intended to address unanticipated direct service impacts of transitioning to the Part C program from earlier delivery models. These grants are distributed to the two LEAs that offer Part C, Early Start Programs based on each LEAs proportionate share of eligible and enrolled children: MCOE Special Education and Monterey Peninsula Unified School District.

Maintenance of Effort Policy

The Monterey County Special Education Local Plan Area (SELPA) shall meet maintenance of effort (MOE) regulations requiring that federal funds be used only to pay the excess costs of providing special education and related services to children with disabilities and to supplement and not supplant state and local funds for special education (ref: 34 Code of Federal Regulations (CFR), sections 300.203-300.205).

The SELPA Administrative Unit (AU), as the grantee of federal funds from the California Department of Education (CDE), shall distribute all or part of the federal funds received to participating local education agencies (LEA) within the SELPA through a sub-granting process and shall annually conduct and report to the CDE the required MOE information. For the purposes of maintenance of effort, the SELPA AU is the recipient of the federal funds from CDE and is, in turn, a grantor of all or part of those funds as sub-grants to participating LEAs. The LEAs within the Monterey County SELPA shall compile and submit budget and expenditure information, including LMC-A and LMC-B reports.

The two required comparison tests are as follows:

First Comparison Eligibility Requirement – Grant-Year Budget to Prior Actual Expenditures (LMC-B)

- Each LEA will submit to the SELPA the required MOE documentation each year.
- Budgeted local or state and local expenditures must equal or exceed prior year expenditures for each LEA and for the SELPA, as a whole, subject to the federal Subsequent Years rule.
- The SELPA must ensure the LEA meets the eligibility comparison test before the allocations of Part B funds are made to the LEAs.

Section 1 – Each year, LEAs should record any of the exceptions listed below:  
These items will reduce the amount required to meet MOE:

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1. The voluntary departure, by retirement or otherwise or departure for just cause, of special education or related service personnel
2. A decrease in the enrollment of children with disabilities
3. 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 the child:

- a. Has left the jurisdiction of the agency;
- b. Has reached the age at which the obligation of the agency to provide FAPE to the child has terminated; or
- c. No longer needs the program of special education

4. The termination of costly expenditures for long-term purchases, such as the acquisition of equipment or the construction of school facilities

Section 2 – LEAs that received a “meets requirement” compliance determination from CDE and have not been found to be significantly disproportionate may also reduce their MOE requirement. Under these conditions, the LEA may reduce the level of local or state and local expenditures otherwise required by the LEA MOE requirement by calculating 50 percent of the increase in federal subgrant allocation received for the current fiscal year compared to the prior fiscal year and reducing the LEA’s state and local MOE requirement by that amount.

Please note: The LEA must use an amount of local funds equal to the reduction in expenditures to carry out activities that could be supported with funds under the Elementary and Secondary Education Act (ESEA) of 1965. This amount includes any activities under Title 1, Impact Aid, and other ESEA programs.

- The amount of funds expended by an LEA for early intervening services under 34 CFR, Section 300.226 shall count toward the maximum amount of expenditures that the LEA may reduce under this section.

### Section 3 – Four MOE Test Methods to Maintain Effort

Either local or state and local funding sources are used for comparison at the SELPA level as well as for each individual LEA. In addition, the comparison may be per capita (per child with a disability, unless some other basis is permitted by the SEA for determining “per capita”). The four methods to maintain effort are:

1. The combination of state and local funds
2. Local funds only
3. The combination of state and local funds on a per capita basis
4. Local funds only on a per capita basis

If the SELPA as a whole passes the first comparison (budget vs. actual), the SELPA as a whole is eligible to receive Part B funding.

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Consequences for Failure to Maintain Effort

If the SELPA fails the first comparison test (budget vs. actual), the SELPA as a whole and all of its participating members will be ineligible to receive Part B funding until budgetary revisions are made to enable the SELPA as a whole to meet MOE requirements.

If the SELPA as a whole passes the first comparison test (budget vs. actual), but one or more individual LEA sub-grant recipients fails the first comparison test, the LEA shall have until the first principal apportionment (better known as P-1 certification) occurs to comply with MOE requirements. The P-1 certification is the first time the current year expenditure data is available. If an LEA has not rectified the problem by the date that P-1 certification is made, the SELPA will notify the CDE. The SELPA will provide the CDE with the LEA's IDEA subgrant amounts. The CDE will reduce the SELPA's grant awards by the amount of the LEAs subgrant amount.

When an LEA fails to meet the MOE test in one year, the LEA is required in subsequent fiscal years to maintain effort at the level prior to the failure. Thus, the LEA must calculate its level of effort on the most recent fiscal year in which the MOE test was met.

Second Comparison Compliance Requirement – Prior-Year Actuals vs. Second-Prior Year Actuals or the most recent year LEA met using the method (LMC-A)

- Actual local or state and local expenditures must equal or exceed prior-year expenditures, subject to the federal Subsequent Years rule.
- SELPA comparison is made after unaudited actuals data is submitted to CDE following the end of the fiscal year
- The comparison will occur annually

Section 1 – Each year LEAs should record any of the exceptions listed below:

These items will reduce the amount required to meet MOE:

1. The voluntary departure, by retirement or otherwise, or departure for just cause, of special education or related service personnel
2. A decrease in the enrollment of children with disabilities
3. The termination of the obligation of the agency to provide a program of special education to a particular child with disabilities that is an exceptionally costly program because the child:
  - a. Has left the jurisdiction of the agency;
  - b. Has reached the age at which the obligation of the agency to provide FAPE to the child has terminated; or
  - c. No longer needs the program of special education
4. The termination of costly expenditures for long-term purchases, such as the acquisition of equipment or the construction of school facilities

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Section 2 – LEAs that received a “meets requirement” compliance determination from CDE and have not been found to be significantly disproportionate may also reduce their MOE requirement. Under these conditions the LEA may reduce the level of local or state and local expenditures otherwise required by the LEA MOE requirement by calculating 50 percent of the increase in federal subgrant allocation received for the current fiscal year compared to the prior fiscal year and reducing the LEA’s state and local MOE requirement by that amount.

Please note: The LEA must use an amount of local funds equal to the reduction in expenditures to carry out activities that could be supported with funds under the Elementary and Secondary Education Act (ESEA) of 1965. This amount includes any activities under Title 1, Impact Aid, and other ESEA programs.

- The amount of funds expended by an LEA for early intervening services under 34 CFR, section 300.226 shall count toward the maximum amount of expenditures that the LEA may reduce under this section.

### Section 3 – Four MOE Test Methods to Maintain Effort

Either local or state and local funding sources are used for comparison at the SELPA level as well as for each individual LEA. In addition, the comparison may be per capita (per child with a disability, unless some other basis is permitted by the SEA for determining “per capita”). The four methods to maintain effort are:

1. The combination of state and local funds
2. Local funds only
3. The combination of state and local funds on a per capita basis
4. Local funds only on a per capita basis

### Consequences for Failure to Maintain Effort

If the SELPA as a whole fails the second comparison test (actual vs. actual) after applying the exceptions, the SELPA will be billed by the CDE for the amount the SELPA, collectively, failed to spend from local or state and local funds to maintain its level of effort. The SELPA AU will then bill the individual LEA sub-grant recipients that failed the MOE second comparison test for the amount the LEA(s) failed to spend from local or state and local funds to maintain their level of effort.

If the SELPA as a whole passes the second comparison (actual vs. actual), but one or more individual LEA sub-grant recipients fail to spend from local or state and local funds to maintain their level of effort, CDE will bill the SELPA for the amount that the LEA failed to spend from local or state and local funds to maintain its level of effort. The amount must be paid to CDE by the LEA from its state and/or local funding in the budget year.

When an LEA fails to meet the MOE test in one year, the LEA is required in subsequent fiscal years to maintain effort at the level prior to the failure. Thus, the LEA must calculate its level of effort on the most recent fiscal year in which the MOE test was met.

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For the purposes of maintenance of effort, the SELPA AU is the recipient of the federal funds from CDE and is, in turn, a grantor of all or part of those funds as sub-grants to participating LEAs.

Inter-District Placements

Any costs associated with inter-district student transfers as required by Individualized Education Programs (IEPs) will be funded through agreements negotiated between the participating districts independent of this agreement.

b.  YES  NO

If the allocation plan specifies that funds will be apportioned to the RLA/AU/AE, or to the SELPA administrator (for single LEA SELPAs), the administrator of the SELPA, upon receipt, distributes the funds in accordance with the method adopted pursuant to *EC* Section 56195.7(i). This allocation plan was approved according to the SELPA's local policymaking process and is consistent with SELPA's summarized policy statement identified in Local Plan Section B: Governance and Administration item B-4. If the response is "NO," then either Section D should be edited, or Section B must be amended according to the SELPA's adopted policy making process, and resubmitted to the COE and CDE for approval.



Section D: Annual Budget Plan

SELPA

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**TABLE 4**

**Special Education Local Plan Area Expenditures (Items D-10 to D-11)**

**D-10. Regionalized Operations Budget**

Using the fields below, identify the total operating expenditures projected for the SELPA, exclusively. Expenditure line items are according SACS object codes. Include the projected amount budgeted for the SELPA's exclusive use. The "Percent of Total" expenses is automatically calculated. NOTE: Table 4 does not include district LEA, charter LEA, or COE LEA expenditures, there is no Attachment to be completed for Table 4.

Accounting Categories and Codes	Amount	Percentage of Total
Object Code 1000—Certificated Salaries	<input type="text" value="406,235"/>	14.18%
Object Code 2000—Classified Salaries	<input type="text" value="251,844"/>	8.79%
Object Code 3000—Employee Benefits	<input type="text" value="294,433"/>	10.28%
Object Code 4000—Supplies	<input type="text" value="155,855"/>	5.44%
Object Code 5000—Services and Operations	<input type="text" value="437,309"/>	15.26%
Object Code 6000—Capital Outlay	<input type="text" value="106,180"/>	3.71%
Object Code 7000—Other Outgo and Financing	<input type="text" value="1,212,961"/>	42.34%
<b>Total Projected Operating Expenditures:</b>	<b>2,864,817</b>	<b>100.00%</b>

**D-11. Object Code 7000 --Other Outgo and Financing Description**

Include a description of the expenditures identified under "Object Code 7000—Other Outgo and Financing" by SACS codes. See Local Plan Guidelines for examples of possible entries.

SELPA

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**TABLE 5**

**Supplemental Aids and Services and Students with Low Incidence Disabilities (D-12 to D-15)**

The standardized account code structure (SACS), goal 5760 is defined as "Special Education, Ages 5–22." Students with a low incidence (LI) disability are classified severely disabled. The LEA may elect to have locally defined goals to separate low-incidence disabilities from other severe disabilities to identify these costs locally.

**D-12. Defined Goals for Students with LI Disabilities**

Does the SELPA, including all LEAs participating in the SELPA, use locally defined goals to separate low-incidence disabilities from other severe disabilities?

YES     NO

If "No," describe how the SELPA identifies expenditures for low-incidence disabilities as required by *EC* Section 56205(b)(1)(D)?

**D-13. Total Projected Expenditures for Supplemental Aids and Services in the Regular Classroom and for Students with LI Disabilities**

Enter the projected expenditures budgeted for Supplemental Aids and Services (SAS) disabilities in the regular education classroom.

**D-14. Total Projected Expenditures for Students with LI Disabilities**

Enter the total projected expenditures budgeted for students with LI disabilities.

**D-15. Attachment V: Projected Expenditures by LEA for SAS Provided to Students with Exceptional Needs in the Regular Classroom and Students with LI Disabilities**

Using the current CDE-approved template provided for Attachment V, enter the SELPA's projected funding allocations to each LEA for the provision of SAS to students with exceptional needs placed in the regular classroom setting and for those who are identified with LI disabilities. Information included in this table must be consistent with revenues identified in Section D, Table 5.