SACRAMENTO COUNTY SPECIAL EDUCATION LOCAL PLAN AREA
MAINTENANCE OF EFFORT (MOE) POLICY

The Sacramento County Special Education Local Plan Area ("SELPA") shall meet Maintenance of Effort (MOE) regulations requiring the 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: Title 34 Code of Federal Regulations CFR Section 300.203-300.205).

The SELPA Administrative Unit, as the grantee of federal funds from the State Department of Education, 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 State Education Agency (SEA) the required MOE information. The LEAs within the Sacramento County SELPA shall compile and submit budget and expenditure information including SEMA and SEMB reports to the Sacramento County Office of Education (SCOE). The two required comparison tests are as follows:

First Comparison – Grant year Budget to Prior Actual Expenditures (SEMB)

- 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.
- Comparison is made before the allocations of Part B funds are made to the LEAs

Section 1 - Each year, LEA's should record any of the exceptions listed below:

a. These items will reduce the amount required to meet MOE:
   - The voluntary departure or departure for just cause, of special education or related service personnel, who are replaced by qualified, lower-salaried staff
   - 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 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
   - The termination of costly expenditures for long-term purchases, such as the acquisition of equipment or the construction of school facilities

Section 2 – LEA's who 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:

a. Calculating 50 percent of the increase in federal subgrant allocation received for the current fiscal year compared to the prior fiscal year, and reducing their state and local MOE requirement by that amount.
b. The LEA must spend the calculated "freed up" local, or state and local funds on activities that are authorized under the Elementary and Secondary Education Act (ESEA) of 1965. **This includes any activities under Title 1, Impact Aid, and other ESEA programs.**

Section 3 – MOE Test

a. Either local or state and local funding sources are used for comparison at the SELPA level as well as for each individual LEA.
b. When the capability exists to isolate "local only" funding sources the comparison may be made using only "local" resources.
c. Comparison may be either total amount or a per capita (per child with a disability unless some other basis is permitted by the SEA for determining "per capita") basis (34 CFR Section 300.203)

- **If the SELPA as a whole passes Comparison 1, the SELPA as a whole, is eligible to receive Part B funding.**

- **If the SELPA still fails Comparison 1, 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 Comparison 1, but one or more individual LEA sub-grant recipients fail Comparison 1, they shall have until First Interim occurs to comply with MOE requirements.**

- **If an LEA has not rectified the problem by the date that First Interim budget report is made, its proportionate share of the federal funds shall be re-distributed, on a proportionate share basis, to those LEA sub-grant recipients that complied with the MOE requirements at Comparison 1, but only to the extent that they don't reduce state and local or "local only" expenditures to the point that they create MOE problems for the receiving LEA.**

Second Comparison – Prior Year Actuals vs. Second Prior Year Actuals (SEMA)

- Actual local or state and local expenditures must equal or exceed prior year expenditures
- 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 LEA's should record any of the exceptions listed below:

These items will reduce the amount required to meet MOE:

- The voluntary departure or departure for just cause, of special education or related service personnel, who are replaced by qualified, lower-salaried staff
- 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 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
- The termination of costly expenditures for long-term purchases, such as the

acquisition of equipment or the construction of school facilities

Section 2 – LEA's who 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:

a. Calculating 50 percent of the increase in federal subgrant allocation received for the current fiscal year compared to the prior fiscal year, and reducing their state and local MOE requirement by that amount.
b. The LEA must spend the calculated "freed up" local, or state and local funds on activities that are authorized under the Elementary and Secondary Education Act (ESEA) of 1965. **This includes any activities under Title 1, Impact Aid, and other ESEA programs.**

Section 3 – MOE Test

a. Combined actual local or state and local funding sources are used for comparison at the SELPA level as well as for each individual LEA.
b. When the capability exists to isolate "local only" funding sources the comparison may be made using only "local" resources.
c. Comparison may be either total amount or a per capita (per child with a disability unless some other basis is permitted by the SEA for determining "per capita") basis (34 CFR Section 300.203(c))

- **If the SELPA, as a whole, still fails Comparison 2 after applying the exceptions, the SELPA will be billed by the State 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 MOE Comparison Test 2 for the amount the LEA(s) failed to spend from local or state and local funds to maintain its level of effort.**

- **If the SELPA, as a whole, passes Comparison 2 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, the SELPA AU will bill them for the amount that the LEA failed to spend from local or state and local funds to maintain their level of effort.**

- **The amount must be paid to CDE by the LEA from its State and Local funding in the budget year.**

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.