



2021 May Revision Workshop

May 20, 2021

Presented By:

Leilani Aguinaldo ▪ Danyel Conolley ▪ Brianna García
John Gray ▪ Dave Heckler ▪ Patti Herrera, EdD ▪ Kyle Hyland
Robert McEntire, EdD ▪ Matt Phillips, CPA ▪ Charlene Quilao
Suzanne Speck ▪ Kathleen Spencer ▪ Michelle McKay Underwood





- **The Governor’s May Revision proposes to apply the compounded COLA of 4.05% to special education funding, an increase compared to the statutory-COLA only in the Governor’s Budget**
 - **This will increase the special education base rate from \$625.00 in the current year to approximately \$650.31 per ADA**
 - **No structural changes are proposed to the special education funding formula and the out of home care formula will continue to be frozen in 2021–22**
- **At the Governor’s Budget, \$300 million ongoing was proposed for the Special Education Early Intervention Grant, which would provide funding to districts based on the number of preschoolers with disabilities**
 - **No significant changes were made to the proposal at the May Revision**

50 Federal Special Education Funds

© 2021 School Services of California Inc.

The American Rescue Plan provided a one-time increase to Individuals with Disabilities Education Act (IDEA) funding, which the Governor notes provides \$277.7 million to California. The Governor also proposes the following to be funded from other federal IDEA resources:

-  **\$15 million**—To provide technical assistance and support to LEAs in developing and administering comprehensive individualized education programs
-  **\$2.3 million**—For the CDE to address special education complaints, perform court-ordered special education monitoring, and to purchase special education monitoring software
-  **\$1.2 million**—To improve coordination between the CDE, the California Department of Developmental Services, and LEAs to support the transition from infant to preschool programs, and convene stakeholder workgroups to address data sharing and disseminate best practices to increase access to more inclusive settings for three-, four-, and five-year-olds

Special Education Maintenance of Effort

© 2021 School Services of California Inc.



LEAs are required to maintain adequate spending for students with disabilities (SWDs) each year



The compliance requirement is completed each year and measures prior-year* and current-year spending

***most recent fiscal year in which Maintenance of Effort (MOE) was met**



The eligibility requirement is measured by comparing budget to prior year*

***most recent fiscal year for which verified data is available and MOE was met**

Special Education Maintenance of Effort

© 2021 School Services of California Inc.



If the LEA has spent less, in state and/or local resources, on special education in total or per capita:

There is a dollar-for-dollar penalty

There is an MOE measurement at budget adoption as well

If the LEA cannot meet the MOE when adopting the budget, the Special Education Local Plan Area will not issue any federal funds

Until the LEA can demonstrate that it expects to meet the MOE requirement

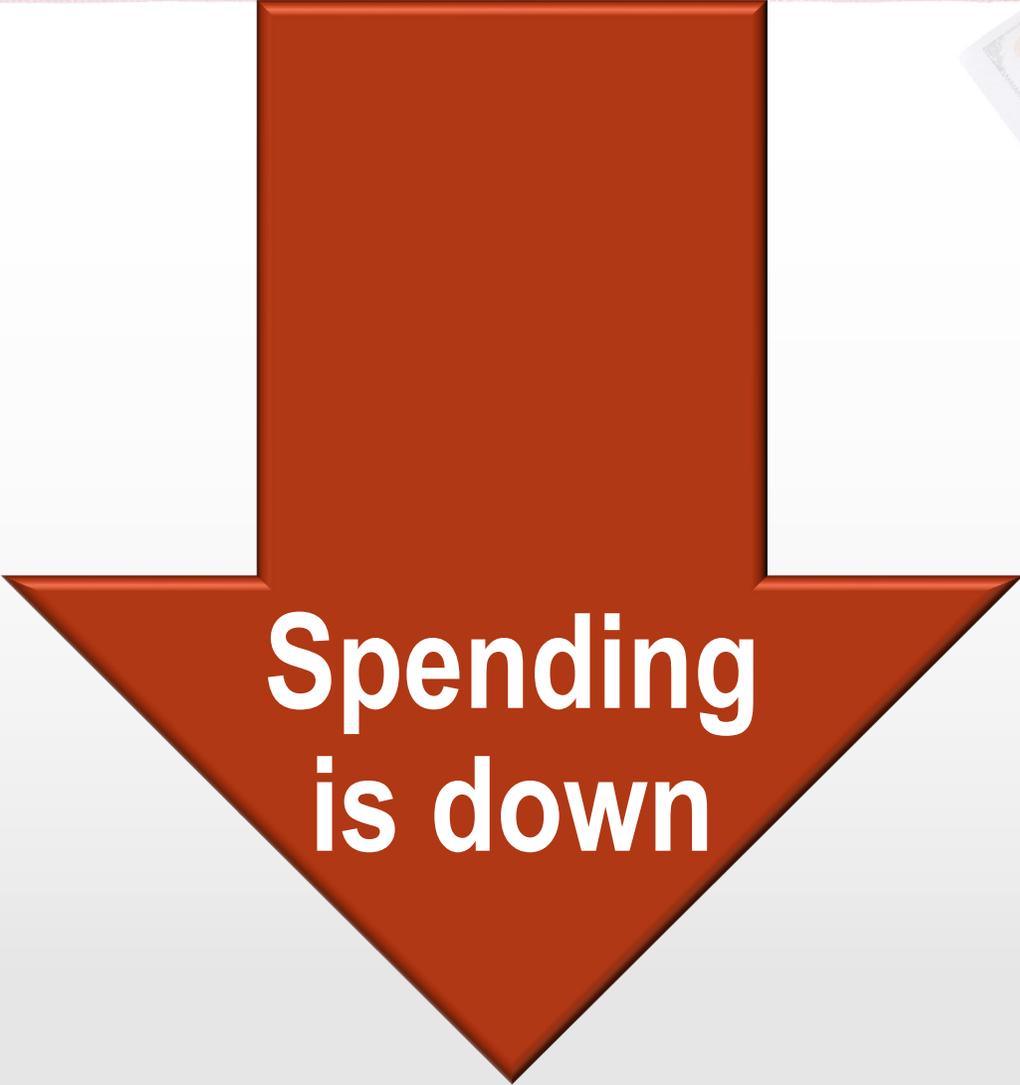
There are limited exemptions available for not meeting the MOE requirement



Savings Abound—Not Always a Good Thing

© 2021 School Services of California Inc.

- **Vacancy savings**
 - **Paraprofessionals**
 - **Teachers**
 - **Support services**
- **Nonpublic agencies**
- **Transportation services**



**Spending
is down**

Reasons for Reducing Special Education MOE

© 2021 School Services of California Inc.

Reduction to 2019–20 MOE can occur for one of four reasons (34 Code of Federal Regulations Section 300.204)

01

Voluntary departure, by retirement or otherwise, or departure for just cause, of special education or related services personnel

02

Decrease in the number of enrolled SWDs

03

Termination of obligation of “exceptionally costly” services because a child has exited the LEA

04

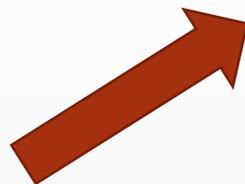
Termination of costly expenditures for long-term purchases, such as construction

Managing 2020–21 Special Education MOE

© 2021 School Services of California Inc.

- What if the reductions available in law are not enough?
- Consider spending state and local first, and carryover the federal dollars
 - Let's assume a scenario where special education expenses decrease from \$1,200 to \$1,000

2019–20 MOE Calculation	
Federal	\$300
State and Local	\$900
Total	\$1,200



2020–21 MOE Calculation (Option A)	
Federal	\$300
State and Local	\$700
Total	\$1,000



2020–21 MOE Calculation (Option B)	
Federal	\$100
State and Local	\$900
Total	\$1,000





Increased services and/or expenses

- Using federal COVID-19 resources for this purpose will have no impact on your MOE
 - Resource Codes 3210, 3212, 3215, Elementary and Secondary School Emergency Relief (ESSER) III
- Using state COVID-19 resources for this purpose will increase your MOE
 - Resource Codes 7420, 7422, 7425, 7426

COVID-19 Special Education MOE Considerations

© 2021 School Services of California Inc.



Maintaining current levels of expenditures (supplanting)

Using federal COVID-19 resources for this purpose may cause an LEA not to meet its MOE

Resource Codes 3210, 3212, 3215, ESSER III

Using state COVID-19 resources for this purpose will have no impact on an LEA's MOE

Resource Codes 7420, 7422, 7425, 7426

