

Maintenance of Effort Monitoring—Beyond the Basics

A Webinar Series: Part II

August 11, 2022

Presented By:

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Public Education's Point of Reference for Making Educated Decisions



Acronyms

ADA.....	Average Daily Attendance
CDE.....	California Department of Education
CIM.....	Compliance and Improvement Monitoring
COE.....	County Office of Education
DPR/LR.....	Dispute Prevention and Resolution/Learning Recovery
ELOG.....	Extended Learning Opportunity Grant
FY.....	Fiscal Year
IDEA.....	Individuals with Disabilities Education Act
LCAP.....	Local Control and Accountability Plan
LEA.....	Local Educational Agency
MOE.....	Maintenance of Effort
P-2.....	Second Principal Apportionment
PCRA.....	Program Cost Report Allocation
PCRAF.....	Program Cost Report Schedule of Allocation Factors
SACS.....	Standardized Account Code Structure
SELPA.....	Special Education Local Plan Area
SEMA.....	Special Education MOE Actuals
SEMB.....	Special Education MOE Budget
SWDs.....	Students with Disabilities
SYT.....	Subsequent Year Tracking
TK.....	Transitional Kindergarten
UPK.....	Universal PreKindergarten



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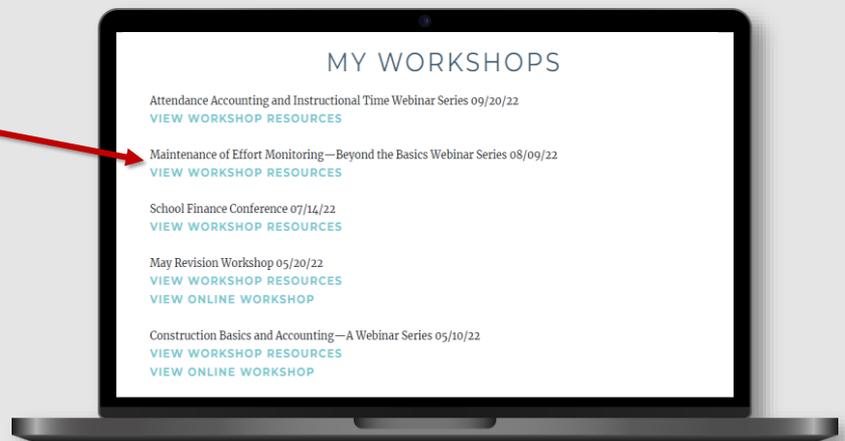
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3 Webinar Overview

 <p>Part I</p> <p>August 9, 2022</p> <ul style="list-style-type: none">• Maintenance of Effort (MOE) Monitoring• Subsequent Year Tracking (SYT) Sheet• MOE Calculation• MOE Results• Exemptions• Local Contribution	<p>August 11, 2022</p>  <p>Part II</p> <ul style="list-style-type: none">• MOE Calculation• Analysis of Forms• Exemptions• MOE Opportunities• Annual MOE Monitoring Plan
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MOE Calculation

5

SACS Software

Financial Reporting

Software used by local educational agencies in preparing budgets, interim reports, and year-end financial reports to the California Department of Education

[SACS Web System](#) | [SACS Desktop Software](#) | [Financial Reporting Resources](#)

SACS Web System

The Standardized Account Code Structure (SACS) Web financial reporting system facilitates the preparation of budget, interim, and unaudited actuals reporting period data and reports that are submitted to oversight agencies and the California Department of Education (CDE).

[SACS Web System Application](#)



NOTE: The SACS Web System is designed to run in the Google Chrome browser.

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Trending in Software & Forms

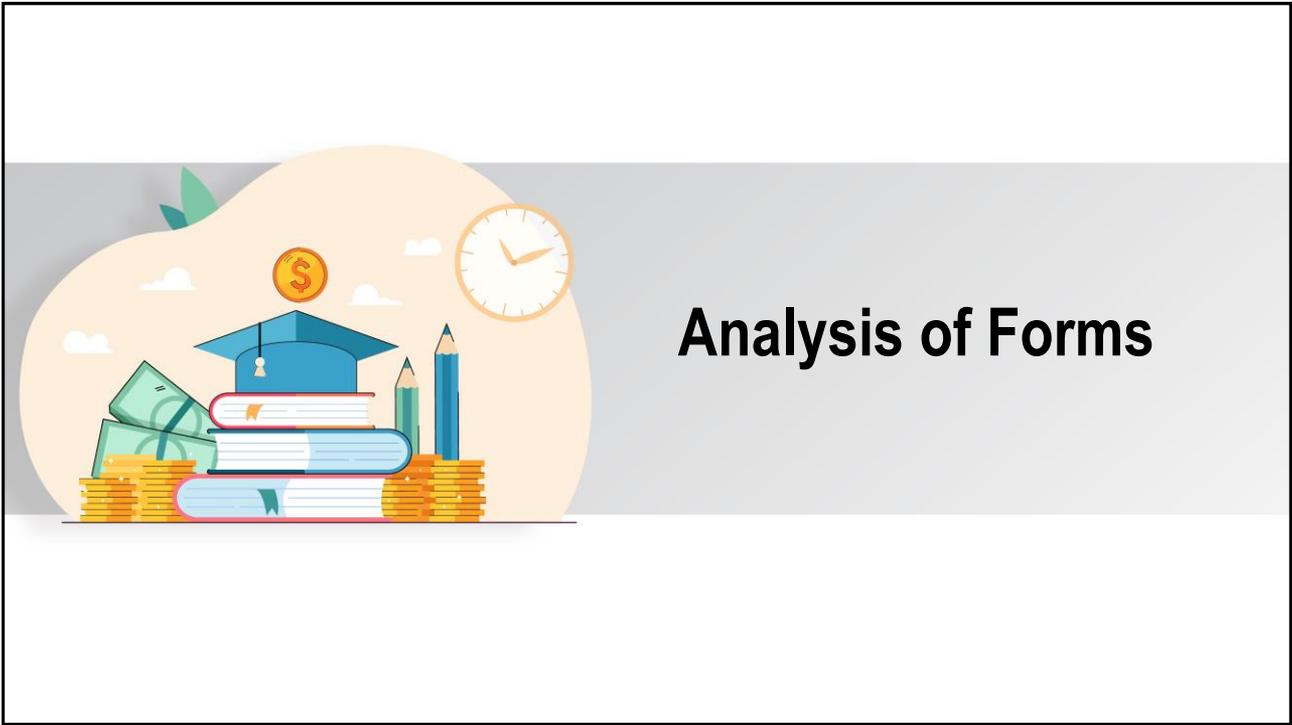
[Principal Apportionment Data Collection](#)

- **SACS2022ALL (legacy)**
 - 2021-22 Unaudited Actuals
 - 2021-22 Estimated Actuals
 - 2022-23 Adopted Budget
- **SACS¹ Web System**
 - 2022-23 First and Second Interim (Third Interim, as applicable)
 - 2022-23 Unaudited Actuals

¹Standardized Account Code Structure

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Analysis of Forms



7 Identify Areas of Opportunity and Flexibility

School Year	State and Local Total Amount	State and Local Total MOE Result	State and Local Per Capita Amount	State and Local Per Capita MOE Result	Local Only Total Amount	Local Only Total MOE Result	Local Only Per Capita Amount	Local Only Per Capita MOE Result	Enrollment	Result for Fiscal Year
2011-2012 Expenditures (Compliance) SEMA - SACS2012ALL	\$ 11,523,746.05	Pass	\$ 13,718.75	Pass	\$ 6,619,821.76	Pass	\$ 7,880.74	Pass	840	Pass
2012-2013 Expenditures (Compliance) SEMA - SACS2013ALL	\$ 12,103,361.80	Pass	\$ 14,024.75	Pass	\$ 6,924,416.42	Pass	\$ 8,023.66	Pass	863	Pass
2013-2014 Expenditures (Compliance) SEMA - SACS2014ALL	\$ 12,885,184.79	Pass	\$ 15,848.94	Pass	\$ 9,344,694.13	Pass	\$ 11,494.09	Pass	813	Pass
2014-2015 Expenditures (Compliance) SEMA - SACS2015ALL	\$ 13,907,995.86	Pass	\$ 15,858.60	Pass	\$ 10,224,755.88	Pass	\$ 11,658.79	Pass	877	Pass
2015-2016 Expenditures (Compliance) SEMA - SACS2016ALL	\$ 15,391,476.38	Pass	\$ 16,567.79	Pass	\$ 11,965,864.43	Pass	\$ 12,880.37	Pass	929	Pass
2016-2017 Expenditures (Compliance) SEMA - SACS2017ALL	\$ 16,532,979.32	Pass	\$ 17,458.27	Pass	\$ 13,139,514.47	Pass	\$ 13,874.88	Pass	947	Pass
2017-2018 Expenditures (Compliance) SEMA - SACS2018ALL	\$ 18,119,665.56	Pass	\$ 17,439.52	Fail	\$ 14,422,219.82	Pass	\$ 13,880.87	Pass	1039	Pass
2018-2019 Expenditures (Compliance) SEMA - SACS2019ALL	\$ 19,989,873.15	Pass	\$ 18,682.12	Pass	\$ 14,630,754.79	Pass	\$ 13,673.60	Fail	1070	Pass
2019-2020 Expenditures (Compliance) SEMA - SACS2020ALL	\$ 19,270,950.91	Pass With Exemption(s) \$ 1,116,817.00	\$ 17,314.42	Fail \$ 1,043.75	\$ 14,232,754.90	Fail	\$ 12,787.74	Fail	1113	Pass
2020-2021 Expenditures (Compliance) SEMA - SACS2021ALL	\$ 21,024,272.05	Pass	\$ 18,605.55	Fail	\$ 14,354,453.72	Fail	\$ 12,703.06	Fail	1130	Pass
Expenditures (Eligibility No PCRA) SEMB - SACS2021ALL (Expenditures less PCRA for	\$ 21,024,272.05 \$ (1,010,078.34) \$ 20,014,193.71	Comparison Year 2020-2021	\$ 18,682.12 \$ (587.37) \$ 18,094.75	Comparison Year 2018-2019	\$ 14,630,754.79 \$ 14,630,754.79	Comparison Year 2018-2019	\$ 13,880.87 \$ 13,880.87	Comparison Year 2011-2018		
2021-2022 Budget (Eligibility) SEMB - SACS2021ALL	\$ 20,587,126.00	Pass	\$ 18,218.70	Pass	\$ 15,926,367.00	Pass	\$ 14,094.13	Pass	1130	Pass

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8

Review SEMA Forms

Special Education Maintenance of Effort
2020-21 Actual vs. Actual Comparison Year
2020-21 Expenditures by LEA (LE-CY)

Object Code	Description	Special Education, Unspecified (Goal 5001)	Regionalized Services (Goal 5050)	Regionalized Program Specialist (Goal 5060)	Special Education, Infants (Goal 5710)	Special Education, Preschool Students (Goal 5730)	Spec. Education, Ages 5-22 (Goal 5760)	Adjustments*	Total
UNDUPLICATED PUPIL COUNT									1,130
TOTAL EXPENDITURES (Funds 01, 09, & 62; resources 0000-9999)									
1000-1999	Certificated Salaries	394,659.70	0.00	0.00	0.00	502,058.22	6,633,999.50		7,530,717.42
2000-2999	Classified Salaries	170,695.06	0.00	0.00	0.00	340,398.85	6,210,748.40		6,721,842.31
3000-3999	Employee Benefits	162,879.62	0.00	0.00	0.00	275,290.81	4,489,313.94		4,947,484.27
4000-4999	Books and Supplies	37,505.49	0.00	0.00	0.00	13,762.26	73,966.08		125,233.83
5000-5999	Services and Other Operating Expenditures	1,786,908.59	0.00	0.00	0.00	0.00	105,539.15		1,892,447.74
6000-6999	Capital Outlay	0.00	0.00	0.00	0.00	0.00	0.00		0.00
7130	State Special Schools	0.00	0.00	0.00	0.00	0.00	0.00		0.00
7430-7439	Debt Service	0.00	0.00	0.00	0.00	0.00	0.00		0.00
	Total Direct Costs	2,572,648.36	0.00	0.00	0.00	1,131,510.14	17,513,567.07	0.00	21,217,725.57
7310	Transfers of Indirect Costs	975,312.29	0.00	0.00	0.00	0.00	0.00		975,312.29
7350	Transfers of Indirect Costs - Interfund	0.00	0.00	0.00	0.00	0.00	0.00		0.00
PCRA	Program Cost Report Allocations	1,010,078.37							1,010,078.37
	Total Indirect Costs and PCR Allocations	1,985,390.66	0.00	0.00	0.00	0.00	0.00	0.00	1,985,390.66
	TOTAL COSTS	4,558,039.02	0.00	0.00	0.00	1,131,510.14	17,513,567.07	0.00	23,203,116.23
FEDERAL EXPENDITURES (Funds 01, 09, and 62; resources 3000-5999, except 3385)									
1000-1999	Certificated Salaries	0.00	0.00	0.00	0.00	43,421.66	1,483,630.85		1,527,052.51
2000-2999	Classified Salaries	0.00	0.00	0.00	0.00	36,985.80	2,900.71		39,886.51
3000-3999	Employee Benefits	0.00	0.00	0.00	0.00	21,110.42	326,966.17		348,076.59
4000-4999	Books and Supplies	18,411.12	0.00	0.00	0.00	314.00	31,806.51		50,531.63
5000-5999	Services and Other Operating Expenditures	0.00	0.00	0.00	0.00	0.00	148,799.92		148,799.92
6000-6999	Capital Outlay	0.00	0.00	0.00	0.00	0.00	0.00		0.00
7130	State Special Schools	0.00	0.00	0.00	0.00	0.00	0.00		0.00
7430-7439	Debt Service	0.00	0.00	0.00	0.00	0.00	0.00		0.00
	Total Direct Costs	18,411.12	0.00	0.00	0.00	101,831.88	1,994,104.16	0.00	2,114,347.16
7310	Transfers of Indirect Costs	87,185.00	0.00	0.00	0.00	0.00	0.00		87,185.00
7350	Transfers of Indirect Costs - Interfund	0.00	0.00	0.00	0.00	0.00	0.00		0.00
	Total Indirect Costs	87,185.00	0.00	0.00	0.00	0.00	0.00	0.00	87,185.00
8980	Less: Contributions from Unrestricted Revenues to Federal Resources (Resources 3310-3400, except 3385, all goals; resources 3000-3178 & 3410-5810, goals 5000-5999)	105,596.12	0.00	0.00	0.00	101,831.88	1,994,104.16	0.00	2,201,532.16
TOTAL COSTS									22,687.98
Special Education Maintenance of Effort Actuals (SEMA)									2,178,844.18

Confirm census day pupil count

Review Goal Code 5001

Review Indirect Costs and Program Cost Report Allocation (PCRA)

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9

Entering Comparison Year

- The SYT provides the correct comparison year to be entered in Column B for each test
- Entry of the comparison year must be hard coded into the SEMA and SEMB¹ forms
- Double check comparison year entry as it can change for each test in SEMA and SEMB

SECTION 3

A. COMBINED STATE AND LOCAL EXPENDITURES METHOD

ce) SEMA -	\$ 13,874.88	Pass	
ce) SEMA -	\$ 13,880.87	Pass	
ce) SEMA -	\$ 13,673.60	Fail	⊘
ce) SEMA -	\$ 12,787.74	Fail	⊘
ce) SEMA -	\$ 12,703.06	Fail	⊘
No PCRA -	\$ 13,880.87	Comparison Year	
A for	\$ 13,880.87	2017-2018	
	\$ 14,094.13	Pass	

Column A	Column B	Column C
Actual Expenditures (LE-CY Worksheet)	Actual Expenditures Comparison Year	Difference (A - B)
FY 2020-21	FY 2019-20	
23,203,116.23	21,780,956.91	1,422,159.32
2,178,844.18	19,270,956.91	287,887.27
21,024,272.05	19,270,956.91	1,753,315.14
0.00	0.00	0.00
21,024,272.05	19,270,956.91	1,753,315.14

If positive or zero, the MOE compliance requirement is met based on the

¹Special Education Maintenance of Effort Budget

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10

Check for MOE Opportunities

SECTION 3

	Column A	Column B	Column C
	Actual Expenditures (LE-CY Worksheet) FY 2020-21	Actual Expenditures Comparison Year FY 2019-20	Difference (A - B)
A. COMBINED STATE AND LOCAL EXPENDITURES METHOD			
1. Under "Comparison Year," enter the most recent year in which MOE compliance was met using the actual vs. actual method based on state and local expenditures.			
a. Total special education expenditures	23,203,116.23		
b. Less: Expenditures paid from federal sources	2,178,844.18		
c. Expenditures paid from state and local sources	21,024,272.05	19,270,956.91	
Add/Less: Adjustments required for MOE calculation		0.00	
Comparison year's expenditures, adjusted for MOE calculation		19,270,956.91	
Less: Exempt reduction(s) for SECTION 1		0.00	
Less: 50% reduction from SECTION 2		0.00	
Net expenditures paid from state and local sources	21,024,272.05	19,270,956.91	1,753,315.14

If you pass the MOE by a large amount, you may want to consider reviewing expenditure allocations or the allocation of indirect costs and the PCRA.

The amount of "overage" is influenced by the indirect costs and PCRA for this local educational agency (LEA).

If the difference in Column C for the Section 3.A.1 is positive or zero, the MOE compliance requirement is met based on the combination of state and local expenditures.

Transfers of Indirect Costs	975,312.29
Transfers of Indirect Costs - Interfund	0.00
Program Cost Report Allocations	1,010,078.37
Total Indirect Costs and PCR Allocations	1,985,390.66

11

SEMA Form Analysis

Object Code	Description	Special Education, Unspecified (Goal 5051)	Regionalized Services (Goal 5050)	Regionalized Program Specialist (Goal 5060)	Special Education, Infants (Goal 5710)	Special Education, Preschool Students (Goal 5730)	Spec. Education, Ages 5-22 (Goal 5760)	Adjustments*	Total
STATE AND LOCAL EXPENDITURES (Funds 01, 09, & 62; resources 0000-0999, 3388, & 6000-9999)									
1000-1999	Certificated Salaries	394,659.70	0.00	0.00	458,636.56	5,150,368.65			6,003,664.91
2000-2999	Classified Salaries	170,895.06	0.00	0.00	303,413.05	6,207,847.69			6,681,955.80
3000-3999	Employee Benefits	162,828.62	0.00	0.00	254,180.39	4,162,347.77			4,599,407.68
4000-4999	Books and Supplies	19,094.37	0.00	0.00	13,448.28	42,159.57			74,702.29
5000-5999	Services and Other Operating Expenditures	1,786,908.59	0.00	0.00	0.00	(43,260.77)			1,743,647.82
6000-6999	Capital Outlay	0.00	0.00	0.00	0.00	0.00			0.00
7130	State Special Schools	0.00	0.00	0.00	0.00	0.00			0.00
7430-7439	Debt Service	0.00	0.00	0.00	0.00	0.00			0.00
	Total Direct Costs	2,554,237.24	0.00	0.00	1,029,678.29	15,519,462.91		0.00	19,103,378.41
7310	Transfers of Indirect Costs	888,127.29	0.00	0.00	0.00	0.00			888,127.29
7350	Transfers of Indirect Costs - Interfund	0.00	0.00	0.00	0.00	0.00			0.00
PCRA	Program Cost Report Allocations	1,010,078.37	0.00	0.00	0.00	0.00			1,010,078.37
	Total Indirect Costs and PCR Allocations	1,898,205.66	0.00	0.00	0.00	0.00		0.00	1,898,205.66
	TOTAL BEFORE OBJECT 8980	4,452,442.90	0.00	0.00	1,029,678.29	15,519,462.91		0.00	21,001,584.07
8980	Contributions from Unrestricted Revenues to Federal Resources (from Federal Expenditures section)								22,687.98
	TOTAL COSTS								21,024,272.05
LOCAL EXPENDITURES (Funds 01, 09, & 62; resources 0000-1999 & 3000-9999)									
1000-1999	Certificated Salaries	0.00	0.00	0.00	0.00	142.40			142.40
2000-2999	Classified Salaries	0.00	0.00	0.00	0.00	0.00			0.00
3000-3999	Employee Benefits	0.00	0.00	0.00	0.00	993.23			993.23
4000-4999	Books and Supplies	0.00	0.00	0.00	0.00	0.00			0.00
5000-5999	Services and Other Operating Expenditures	963,398.00	0.00	0.00	0.00	0.00			963,398.00
6000-6999	Capital Outlay	0.00	0.00	0.00	0.00	0.00			0.00
7130	State Special Schools	0.00	0.00	0.00	0.00	0.00			0.00
7430-7439	Debt Service	0.00	0.00	0.00	0.00	0.00			0.00
	Total Direct Costs	963,398.00	0.00	0.00	0.00	1,135.63		0.00	964,533.63
7310	Transfers of Indirect Costs	0.00	0.00	0.00	0.00	0.00			0.00
7350	Transfers of Indirect Costs - Interfund	0.00	0.00	0.00	0.00	0.00			0.00
	Total Indirect Costs	0.00	0.00	0.00	0.00	0.00		0.00	0.00
	TOTAL BEFORE OBJECT 8980	963,398.00	0.00	0.00	0.00	1,135.63		0.00	964,533.63
8980	Contributions from Unrestricted Revenues to Federal Resources (from Federal Expenditures section)								22,687.98
8980	Contributions from Unrestricted Revenues to State Resources (Resources 3305, 6500, 6510, & 7240, all goals; resources 2000-2999 & 6010-7810, except 6500, 6510, & 7240, goals 5000-5999)								13,367,232.11
	TOTAL COSTS								14,354,453.72

What do we notice?

Any surprises or opportunities to review?

12 Where to Look for Flexibility

- Passing the MOE by a large amount should prompt investigating ways to decrease expenditures or use exemptions to pass by a smaller margin. Review expenditures in the unrestricted resources to see if they should be charged to special education.

Actual Expenditures (LE-CY Worksheet) FY 2020-21	Actual Expenditures Comparison Year FY 2019-20	Difference (A - B)	Object Code	Description	Special Education, Unspecified (Goal 5001)
23,203,116.23			UNDULICATED PUPIL COUNT		
2,178,844.18			TOTAL EXPENDITURES (Funds 01, 09, & 62; resources 0000-9999)		
21,024,272.05	19,270,956.91		1000-1999	Certificated Salaries	394,659.70
	0.00		2000-2999	Classified Salaries	170,695.06
	19,270,956.91	1,753,315.14	3000-3999	Employee Benefits	182,879.52
	0.00		4000-4999	Books and Supplies	37,505.49
21,024,272.05	19,270,956.91		5000-5999	Services and Other Operating Expenditures	1,786,908.59
	0.00		6000-6999	Capital Outlay	0.00
	0.00		7130	State Special Schools	0.00
	0.00		7430-7439	Debt Service	0.00
				Total Direct Costs	2,572,648.36
			7310	Transfers of Indirect Costs	975,312.29
			7350	Transfers of Indirect Costs - Interfund	0.00
			PCRA	Program Cost Report Allocations	1,010,078.37
				Total Indirect Costs and PCR Allocations	1,985,390.66
				TOTAL COSTS	4,558,039.02

Combined State and Local Expenditures

13 Where to Look for Flexibility

B. LOCAL EXPENDITURES ONLY METHOD

1. Under "Comparison Year," enter the most recent year in which MOE compliance was met using the actual vs. actual method based on local expenditures only.

	Actual FY 2020-21	Comparison Year FY 201718	Difference
a. Expenditures paid from local sources	14,354,453.72	14,422,219.82	
Add/Less: Adjustments required for MOE calculation		0.00	
Comparison year's expenditures, adjusted for MOE calculation		14,422,219.82	
Less: Exempt reduction(s) from SECTION 1		0.00	
Less: 50% reduction from SECTION 2		0.00	
Net expenditures paid from local sources	14,354,453.72	14,422,219.82	(67,766.10)

If the difference in Column C for the Section 3.B.1 is positive or zero, the MOE compliance requirement is met based on the local expenditures only.

2. Under "Comparison Year," enter the most recent year in which MOE compliance was met using the actual vs. actual method based on the per capita local expenditures only.

	Actual FY 2020-21	Comparison Year FY 2017-18	Difference
a. Expenditures paid from local sources	14,354,453.72	14,422,219.82	
Add/Less: Adjustments required for MOE calculation		0.00	
Comparison year's expenditures, adjusted for MOE		14,422,219.82	
Less: Exempt reduction(s) from SECTION 1		0.00	
Less: 50% reduction from SECTION 2		0.00	
Net expenditures paid from local sources	14,354,453.72	14,422,219.82	
b. Special education unduplicated pupil count	1,130	1,039	
c. Per capita local expenditures (B2a/B2b)	12,703.06	13,880.87	(1,177.81)

Any failure of an MOE test should lead to consideration of MOE exemptions.

Consideration of MOE exemptions for every failed test ensures that every opportunity for additional flexibility is captured for future comparison years.

This LEA passed one test, but they might have been able to pass at least two tests (local only total) with the use of exemptions.





15 Reasons for Reducing Special Education MOE

1 Voluntary departure, by retirement or otherwise, of special education or related services personnel

2 Decrease in the number of enrolled Students with Disabilities (SWDs)

MOE Reductions

3 Termination of obligation of “exceptionally costly” program because a child has left the LEA, aged out of eligibility, or no longer needs the special education program

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

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16 Power of Exemptions—LEA 1

- LEA 1 struggled with its MOE in 2019-20 and was in danger of failing in 2020-21
- Exemptions helped LEA 1 reach the MOE obligation and eligibility thresholds

2016-2017	Expenditures (Compliance) SEMA - SACS2017ALL	\$ 11,589,329.71	Pass	\$ 14,255.02	Pass	\$ 7,356,522.38	Pass	\$ 9,048.61	Pass	813	Pass
			\$ -		\$ -		\$ -		\$ -		
2017-2018	Expenditures (Compliance) SEMA - SACS2018ALL	\$ 13,033,440.71	Pass	\$ 14,546.25	Pass	\$ 8,394,378.23	Pass	\$ 9,368.73	Pass	896	Pass
			\$ -		\$ -		\$ -		\$ -		
2018-2019	Expenditures (Compliance) SEMA - SACS2019ALL	\$ 14,923,534.74	Pass	\$ 16,600.15	Pass	\$ 9,022,090.75	Pass	\$ 10,035.70	Pass	899	Pass
			\$ -		\$ -		\$ -		\$ -		
2019-2020	Expenditures (Compliance) SEMA - SACS2020ALL	\$ 14,259,418.87	Pass With Exemption(s)	\$ 17,284.14	Pass	\$ 8,794,837.94	Pass With Exemption(s)	\$ 10,660.41	Pass	825	Pass
			\$ 1,228,411.09		\$ 1,366.42		\$ 1,228,411.09		\$ 1,366.42		
2020-2021	Expenditures (Compliance) SEMA - SACS2021ALL	\$ 13,394,550.28	Fail	\$ 14,751.71	Fail	\$ 8,020,329.23	Fail	\$ 8,832.96	Fail	908	Fail
			\$ -		\$ -		\$ -		\$ -		
	Expenditures (Eligibility No PCRA) SEMB - SACS2021ALL (Expenditures less PCRA for Comparison Year)	\$ 14,259,418.87 \$ (2,184,719.25)	Comparison Year	\$ 17,284.14 \$ (2,648.14)	Comparison Year	\$ 8,794,837.94	Comparison Year	\$ 10,660.41	Comparison Year		
		\$ 12,074,699.62	2019-2020	\$ 14,636.00	2019-2020	\$ 8,794,837.94	2019-2020	\$ 10,660.41	2019-2020		
2021-2022	Budget (Eligibility) SEMB - SACS2021ALL	\$ 12,026,457.00	Fail	\$ 13,245.00	Fail	\$ 8,104,506.00	Fail	\$ 8,925.67	Fail	908	Fail
			\$ -		\$ -		\$ -		\$ -		

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17 Exemptions Ensure MOE Obligation Is Met

- LEA 1 used large exemptions in 2019-20
 - Did not use the opportunity to right size their expenditures
- 2020-21 yielded fewer exemptions but dramatic reductions in cost due to transportation. Fortunately, they had exemptions sufficient to pass a local only test.
- Adding in indirect costs and the PCRA was insufficient to pass the state and local tests

2018-2019	Expenditures (Compliance) SEMA - SACS2019ALL	\$ 14,923,534.74	Pass	\$ 16,600.15	Pass	\$ 9,022,090.75	Pass	\$ 10,035.70	Pass	899	Pass
			\$ -		\$ -		\$ -		\$ -		
2019-2020	Expenditures (Compliance) SEMA - SACS2020ALL	\$ 14,259,418.87	Pass With Exemption(s)	\$ 17,284.14	Pass	\$ 8,794,837.94	Pass With Exemption(s)	\$ 10,660.41	Pass	825	Pass
			\$ 1,484,711.24		\$ 1,651.51		\$ 1,484,711.24		\$ 1,651.51		
2020-2021	Expenditures (Compliance) SEMA - SACS2021ALL	\$ 13,394,550.28	Fail	\$ 14,751.71	Fail	\$ 8,020,329.23	Pass With Exemption(s)	\$ 8,832.96	Fail	908	Pass
			\$ 774,880.36		\$ 939.25		\$ 774,880.36		\$ 939.25		
	Expenditures (Eligibility No PCRA) SEMB - SACS2021ALL (Expenditures less PCRA for Comparison Year)	\$ 14,259,418.87 \$ (2,184,719.25)	Comparison Year	\$ 17,284.14 \$ (2,648.14)	Comparison Year	\$ 8,020,329.23	Comparison Year	\$ 10,660.41	Comparison Year		
		\$ 12,074,699.62	2019-2020	\$ 14,636.00	2019-2020	\$ 8,020,329.23	2020-2021	\$ 10,660.41	2019-2020		
2021-2022	Budget (Eligibility) SEMB - SACS2021ALL	\$ 13,816,457.00	Pass	\$ 15,216.36	Pass	\$ 11,304,506.00	Pass	\$ 12,449.90	Pass	908	Pass
			\$ -		\$ -		\$ -		\$ -		

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18

Using Exemptions to Pass the Tests

SECTION 3	Column A	Column B	Column C
	Actual Expenditures (LE-CY Worksheet) FY 2020-21	Actual Expenditures Comparison Year FY 2019-20	Difference (A - B)
A. COMBINED STATE AND LOCAL EXPENDITURES METHOD			
1. Under "Comparison Year," enter the most recent year in which MOE compliance was met using the actual vs. actual method based on state and local expenditures.			
a. Total special education expenditures	15,005,155.12		
b. Less: Expenditures paid from federal sources	1,610,604.84		
c. Expenditures paid from state and local sources	13,394,550.28	14,259,418.87	
Add/Less: Adjustments required for MOE calculation Comparison year's expenditures, adjusted for MOE calculation		0.00	
		14,259,418.87	
Less: Exempt reduction(s) for SECTION 1		774,880.36	
Less: 50% reduction from SECTION 2		0.00	
Net expenditures paid from state and local sources	13,394,550.28	13,484,538.51	(89,988.23)

- LEA 1 tracked exemptions, which were insufficient to pass state and local tests
- LEA 1 considered and added in the PCRA and indirect costs, but still had insufficient expenditures
- Next up—local only tests

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19

Tracking Exemptions Pays Off

- After submitting a prior-year exemption form, updating the 2019-20 SYT, and completing an exemption form for 2020-21, LEA 1 had sufficient exemptions to pass the local only total expenditures test
- Demonstrates the importance of tracking qualifying exemptions every year, regardless of whether you need them to pass

	Actual FY 2020-21	Comparison Year FY 2019-20	Difference
1. Under "Comparison Year," enter the most recent year in which MOE compliance was met using the actual vs. actual method based on local expenditures only.			
a. Expenditures paid from local sources	8,020,329.23	8,794,837.94	
Add/Less: Adjustments required for MOE calculation Comparison year's expenditures, adjusted for MOE calculation		0.00	
		8,794,837.94	
Less: Exempt reduction(s) from SECTION 1		774,880.36	
Less: 50% reduction from SECTION 2		0.00	
Net expenditures paid from local sources	8,020,329.23	8,019,957.58	371.65

Local Only Total Expenditures

If the difference in Column C for the Section 3.B.1 is positive or zero, the MOE compliance requirement is met based on the local expenditures only.

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20

Power of Exemptions—LEA 1

- Once exemptions were added to the SYT, LEA 1 passes the local only total expenditures test
- The budget shows LEA 1 meets MOE eligibility with correct comparison years
- LEA should monitor to potentially capture lower MOE obligations if allowed in 2021-22

2016-2017	Expenditures (Compliance) SEMA - SACS2017ALL	\$ 11,589,329.71	Pass	\$ 14,255.02	Pass	\$ 7,356,522.38	Pass	\$ 9,048.61	Pass	813	Pass
		\$ -		\$ -		\$ -		\$ -			
2017-2018	Expenditures (Compliance) SEMA - SACS2018ALL	\$ 13,033,440.71	Pass	\$ 14,546.25	Pass	\$ 8,394,378.23	Pass	\$ 9,368.73	Pass	896	Pass
		\$ -		\$ -		\$ -		\$ -			
2018-2019	Expenditures (Compliance) SEMA - SACS2019ALL	\$ 14,923,534.74	Pass	\$ 16,600.15	Pass	\$ 9,022,090.75	Pass	\$ 10,035.70	Pass	899	Pass
		\$ -		\$ -		\$ -		\$ -			
2019-2020	Expenditures (Compliance) SEMA - SACS2020ALL	\$ 14,259,418.87	Pass w/with Exemption(s)	\$ 17,284.14	Pass	\$ 8,794,837.94	Pass w/with Exemption(s)	\$ 10,660.41	Pass	825	Pass
		\$ 1,484,711.24		\$ 1,651.51		\$ 1,484,711.24		\$ 1,651.51			
2020-2021	Expenditures (Compliance) SEMA - SACS2021ALL	\$ 13,394,550.28	Fail	\$ 14,751.71	Fail	\$ 8,020,329.23	Pass w/with Exemption(s)	\$ 8,832.96	Fail	908	Pass
		\$ 774,880.36		\$ 939.25		\$ 774,880.36		\$ 939.25			
	Expenditures (Eligibility No PCRA) SEMB - SACS2021ALL	\$ 14,259,418.87	Comparison Year	\$ 17,284.14	Comparison Year	\$ 8,020,329.23	Comparison Year	\$ 10,660.41	Comparison Year		
	(Expenditures less PCRA for Comparison Year)	\$ (2,184,719.25)	2019-2020	\$ (2,648.14)	2019-2020	\$ 8,020,329.23	2020-2021	\$ 10,660.41	2019-2020		
		\$ 12,074,699.62		\$ 14,636.00		\$ 8,020,329.23		\$ 10,660.41			
2021-2022	Budget (Eligibility) SEMB - SACS2021ALL	\$ 13,816,457.00	Pass	\$ 15,216.36	Pass	\$ 11,304,506.00	Pass	\$ 12,449.90	Pass	908	Pass
		\$ -		\$ -		\$ -		\$ -			

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21

Planning for MOE Challenges and Impacts

- Special Education Local Plan Area (SELPA) allocation model updates should occur **before Second Principal Apportionment (P-2) certification**
- SELPA can consider flexibilities to protect from MOE failures
- LEAs can consider impact of exemptions on MOE trajectory
- LEAs can leverage MOE flexibility while ensuring compliance and eligibility standards are met
- Preparation ensures maximum flexibility for business and program staff
- ***If an LEA learns it cannot pass in August, the LEA has lost opportunities for flexibility***

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. Provide specific details and dollar amounts. If the total justifications equal/exceed the MOE shortfall, fiscal effort has been maintained for the reporting year.

1. 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).	\$229,330.61
ENTER INFORMATION on the detail reduction 1 tab; totals will carry forward to this section	
2. A decrease in enrollment of children with disabilities.	\$0.00
ENTER INFORMATION on the detail reduction 2 tab; totals will carry forward to this section	
3. The termination of the obligation to provide a program of special education to a particular child with a disability that is an exceptionally costly program because:	\$545,549.75
A. Child has left the jurisdiction of the agency; OR	
B. Child has reached the age at which the obligation of the agency to provide free appropriate public education (FAPE) to the child has	
C. No longer needs the program of special education	
ENTER INFORMATION on the detail reduction 3 tab; totals will carry forward to this section	
4. 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).	\$0.00
ENTER INFORMATION on the detail reduction 4 tab; totals will carry forward to this section	
TOTAL ALLOWABLE EXEMPTIONS TO MOE	\$774,880.36

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22 Analysis of SEMA and SYT Forms—LEA 2

- LEA 2 ended 2020-21 with reduced expenditures due to COVID-19
- Initial SEMA indicated failure of all four tests
- After tracking down exemptions, LEA 2 passed all four tests with lowered MOE obligation
- Inclusion of PCRA allowed LEA to budget less for 2021-22. Allocation of PCRA, indirect costs, and expenditures to be monitored in 2021-22 to ensure passage without growing MOE obligation.
- The PCRA has averaged about 24% of total special education expenditure for years—\$4,000 per pupil

2019-2020	Expenditures (Compliance) SEMA - SACS2020ALL	\$ 24,339,631.94	Pass	\$ 16,456.82	Fail	\$ 14,831,118.24	Pass	\$ 10,027.80	Fail	1479
2020-2021	Expenditures (Compliance) SEMA - SACS2021ALL	\$ 23,692,723.83	Pass With Exemption(s)	\$ 16,875.16	Pass With Exemption(s)	\$ 13,982,992.31	Pass With Exemption(s)	\$ 9,959.40	Pass With Exemption(s)	1404
		\$ 2,009,404.45		\$ 1,510.83		\$ 2,009,404.45		\$ 1,510.83		
	Expenditures (Eligibility No PCRA) SEMB - SACS2021ALL (Expenditures less PCRA for Comparison Year)	\$ 23,692,723.83 \$ (5,649,560.44)	Comparison Year	\$ 16,875.16 \$ (4,023.90)	Comparison Year	\$ 13,982,992.31	Comparison Year	\$ 9,959.40	Comparison Year	
		\$ 18,043,163.39	2020-2021	\$ 12,851.26	2020-2021	\$ 13,982,992.31	2020-2021	\$ 9,959.40	2020-2021	
2021-2022	Budget (Eligibility) SEMB - SACS2021ALL	\$ 18,437,819.00	Pass	\$ 13,132.35	Pass	\$ 15,578,967.00	Pass	\$ 11,096.13	Pass	1404

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23 Using Qualifying Exemptions—LEA 2

- Largest qualifying exemption—decrease in enrollment of SWDs
- Qualifying staff departures due to reduction in pupil count ensured a reduction in the MOE obligation

1,404
1,479
(75)
5.07099%
\$23,692,723.83
\$1,201,456.58
\$1,201,456.58

1. 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).	\$807,947.87
ENTER INFORMATION on the <i>detail reduction 1</i> tab; totals will carry forward to this section	
2. A decrease in enrollment of children with disabilities.	\$1,201,456.58
ENTER INFORMATION on the <i>detail reduction 2</i> tab; totals will carry forward to this section	
3. The termination of the obligation to provide a program of special education to a particular child with a disability that is an exceptionally costly program because:	\$0.00
A. Child has left the jurisdiction of the agency; OR	
B. Child has reached the age at which the obligation of the agency to provide free appropriate public education (FAPE) to the child	
C. No longer needs the program of special education	
ENTER INFORMATION on the <i>detail reduction 3</i> tab; totals will carry forward to this section	
4. 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).	\$0.00
ENTER INFORMATION on the <i>detail reduction 4</i> tab; totals will carry forward to this section	
TOTAL ALLOWABLE EXEMPTIONS TO MOE	\$2,009,404.45
Amount of total exemption reductions entered in Section 1 of the LMC-A or LMC-B)	

No.	Position Title	E Reason for Leaving	Salary	Benefits	Total
1	Special Education Teacher - Preschool	Classroom closure - Not replaced	\$51,533.00	\$10,344.74	\$61,877.74
2	Para pro- Preschool	Classroom closure - Not replaced	\$19,256.58	\$11,960.22	\$31,216.80
3	Para pro- Preschool	Classroom closure - Not replaced	\$23,385.60	\$7,453.12	\$30,838.72
4	Para pro- Preschool	Classroom closure - Not replaced	\$22,998.89	\$6,645.52	\$29,644.41
5	Para pro- Preschool	Classroom closure - Not replaced	\$21,229.74	\$6,134.33	\$27,364.07
6	Para pro- Preschool	Classroom closure - Not replaced	\$26,457.92	\$9,888.19	\$36,346.11
7	Para pro- Preschool	Classroom closure - Not replaced	\$26,356.65	\$14,311.78	\$40,668.43
8	Para pro- LMS	No longer needed - not replaced	\$25,615.20	\$7,401.51	\$33,016.71
9	Para pro- LMS	No longer needed - not replaced	\$21,742.95	\$9,542.08	\$31,285.03
10	Para pro- PHS	No longer needed - not replaced	\$23,385.60	\$6,757.26	\$30,142.86
11	Para pro- PHS	No longer needed - not replaced	\$20,194.44	\$6,658.55	\$26,852.99
12	Para pro- Spring Lake	No longer needed - not replaced	\$21,229.74	\$6,134.33	\$27,364.07
13	Para pro- Spring Lake	No longer needed - not replaced	\$22,301.58	\$6,444.04	\$28,745.62
14	Para pro- Spring Lake	No longer needed - not replaced	\$21,229.74	\$12,830.36	\$34,060.10
15	Para pro- Zamora	No longer needed - not replaced	\$24,827.04	\$8,638.89	\$33,465.93

Were there other ways to reduce the MOE obligation if sufficient preparation and planning had been ongoing?

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24

Qualifying Exemptions to Track—Exemption 3

- When a large decrease in pupil count occurs, LEAs should review for high-cost services for departed students, especially when reductions in staff are instructional assistants
- All LEAs have natural times when students leave the jurisdiction of the agency—track these changes annually!

Student Name	Reason (indicate A, B, or C)	Total
1,00001	B	\$180,000.00
2,00002	A	\$90,000.00
3,00003	C	\$25,000.00
		enroll

If a staff member can be directly connected to a single student, then a reduction in cost can be listed twice—once in Exemption 1 and once in Exemption 3

3. The termination of the obligation to provide a program of special education to a particular child with a disability that is an exceptionally costly program because:

- A. *Child has left the jurisdiction of the agency; OR*
- B. *Child has reached the age at which the obligation of the agency to provide free appropriate public education (FAPE) to the child has terminated; OR*
- C. *No longer needs the program of special education*

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MOE Opportunities

26

SELPA Allocation Plan Considerations—LEA 3

- Many small LEAs struggle with MOE
 - Increasing/decreasing enrollment makes it harder to pass per capita tests
- Sample LEA 3 has been passing only the state and local total expenditures test, even with exemptions
- Consider flexibility around how federal funds are allocated
- The SELPA could swap federal Individuals with Disabilities Education Act (IDEA) funds for AB 602 funds for the smallest LEAs

Expenditures (Compliance) SEMA - SACS2020ALL	\$ 1,605,016.21	Pass	\$ 13,487.53	Pass	\$ 860,265.81	Fail	\$ 7,229.12	Fail	119
	\$ -		\$ -		\$ -		\$ -		
Expenditures (Compliance) SEMA - SACS2021ALL	\$ 1,533,400.69	Pass With Exemption(s)	\$ 12,568.86	Fail	\$ 570,464.95	Fail	\$ 4,675.94	Fail	122
	\$ 107,145.00		\$ 900.38		\$ 107,145.00		\$ 900.38		
Expenditures (Eligibility No PCRA) SEMB - SACS2021ALL	\$ 1,533,400.69	Comparison Year	\$ 13,487.53	Comparison Year	\$ 958,882.33	Comparison Year	\$ 8,057.83	Comparison Year	
(Expenditures less PCRA for Comparison Year)	\$ (315,237.90)		\$ (2,602.14)						
	\$ 1,218,162.79	2020-2021	\$ 10,885.39	2019-2020	\$ 958,882.33	2018-2019	\$ 8,057.83	2018-2019	
Budget (Eligibility) SEMB - SACS2021ALL	\$ 1,411,984.00	Pass	\$ 12,068.24	Pass	\$ 914,908.00	Fail	\$ 7,819.73	Fail	117
			\$ -				\$ -		

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27

Shifting Federal Funds and Swapping for AB 602

Adding this statement to the SELPA allocation plan could allow for shifts as needed:

Due to the size and scope of services each member LEA provides, the SELPA may adjust the allocations, if needed.

- Here we show a single LEA receiving federal revenues and contributing AB 602 funds.
- SELPA could balance reallocation among all members of the SELPA on a per-ADA¹ or other locally determined basis.

State Special Education Resource 6500				
Entitlement			\$ 665,000.00	
Amount-per-ADA			715.9621885834	
Member	A	B	C	D
	ADA	Allocation	Adjustment	Adjusted Allocation B + C
Barney Rubble Elementary	34.89	24,979.92	3,640.45	28,620.37
Betty Boop High School	177.14	126,825.54	0.00	126,825.54
Fred Flintstone Unified	304.88	218,282.55	(3,640.45)	214,642.10
George Jetson Elementary	187.04	133,913.57	0.00	133,913.57
Daffy Duck High School	224.87	160,998.42	0.00	160,998.42
	928.82	665,000.00	0.00	665,000.00

¹Average daily attendance

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28

Shifting Federal Funds and Swapping for AB 602

- The SELPA can adjust the federal IDEA allocation and provide a dollar-for-dollar increase in state special education funding in Resource 6500
- Example using a fictional multi-LEA SELPA
 - Barney Rubble Elementary is struggling with meeting its MOE
 - The SELPA exchanges funds between Barney Ruble Elementary and Fred Flintstone Unified

Federal IDEA Resource 3310				
Grant Award		\$	108,000.00	
Amount-per-Pupil			1,213.4831460674	
	A	B	C	D
Member	Pupil Count	Allocation	Adjustment	Adjusted Allocation B + C
Barney Rubble Elementary	3	3,640.45	(3,640.45)	0
Betty Boop High School	17	20,629.21	0.00	20,629
Fred Flintstone Unified	30	36,404.49	3,640.45	40,045
George Jetson Elementary	18	21,842.70	0.00	21,843
Daffy Duck High School	21	25,483.15	0.00	25,483
Total	89	108,000.00	0.00	108,000

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29

Net Result of Shifting Federal Funds for AB 602

Total Allocation for AB602 and 3310

Member	A Original AB602 Allocation	B Adjusted AB602 Allocation	C AB602 Allocation Change	D Original 3310 Allocation	E Adjusted 3310 Allocation	F 3310 Allocation Change
Barney Rubble Elementary	24,979.92	28,620.37	3,640.45	3,640.45	-	(3,640.45)
Betty Boop High School	126,825.54	126,825.54	-	20,629.21	20,629.21	-
Fred Flinstone Unified	218,282.55	214,642.10	(3,640.45)	36,404.49	40,044.94	3,640.45
George Jetson Elementary	133,913.57	133,913.57	-	21,842.70	21,842.70	-
Daffy Duck High School	160,998.42	160,998.42	-	25,483.15	25,483.15	-
Total	665,000.00	665,000.00	-	108,000.00	108,000.00	-

Member	G Original Total Allocation (AB602 + 3310)	H Adjusted Total Allocation (AB602 + 3310)	I Net allocation change
Barney Rubble Elementary	28,620.37	28,620.37	-
Betty Boop High School	147,454.75	147,454.75	-
Fred Flinstone Unified	254,687.04	254,687.04	-
George Jetson Elementary	155,756.27	155,756.27	-
Daffy Duck High School	186,481.57	186,481.57	-
Total	773,000.00	773,000.00	-

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30

PCRAF

- An often-overlooked piece to the MOE calculation is the annual Program Cost Report Schedule of Allocation Factors (PCRAF)
- The form, included as part of the Unaudited Actuals in the SACS software, is used to allocate undistributed expenditures coded to Goals 0000 and 9000 in Funds 01, 09, and 62
 - Required to do so because all expenditures must be assigned to a SACS goal
 - For many LEAs, the total amount of allocated expenditures is in the millions
- Understanding the components of the PCRAF, choosing to allocate factors to special education, and knowing the importance of using accurate allocation factors can be the difference between meeting and failing MOE



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31

PCRAF

- The allocation of undistributed expenditures can have significant impact on MOE
 - For this LEA, total General Fund expenditures were \$61 million, so the total undistributed expenditures were approximately 22% of total expenditures
- Incorrect allocation factors can be detrimental to compliance in both directions
 - An overestimate of special education factors can artificially inflate the MOE, making it difficult to meet in the subsequent year
 - An underestimate of special education factors can create a missed opportunity to pass all four MOE tests
 - The MOE calculation is not necessarily the correct avenue to "capture all of the special education program costs"

Description	Resource Codes	Object Codes	2018-19 Unaudited Actuals		Total Fund col. A + B (C)
			Unrestricted (A)	Restricted (B)	
2) Federal Revenue	8100-8299		3,954,941.58	1,903,880.75	5,858,822.33
3) Other State Revenue	8300-8599		2,096,558.84	6,125,716.08	8,222,274.92
4) Other Local Revenue	8600-8799		962,454.78	1,211,337.44	2,173,792.22
5) TOTAL REVENUES			54,576,384.38	9,240,934.27	63,817,318.65
B. EXPENDITURES					
1) Certificated Salaries		1000-1999	22,443,179.91	4,406,848.17	26,850,028.08
2) Classified Salaries		2000-2999	6,268,053.25	3,371,854.06	9,639,907.31
3) Employee Benefits		3000-3999	8,142,644.47	6,686,330.96	14,828,975.43
4) Books and Supplies		4000-4999	1,283,386.34	565,019.43	1,848,405.77
5) Services and Other Operating Expenditures		5000-5999	4,048,817.99	1,492,370.63	5,541,188.62
6) Capital Outlay		6000-6999	148,344.22	668,193.29	816,537.51
7) Other Outgo (excluding Transfers of Indirect Costs)		7100-7299			
7400-7499			900,398.66	774,691.35	1,675,090.01
8) Other Outgo - Transfers of Indirect Costs		7300-7399	(116,964.77)	39,232.59	(77,732.18)
9) TOTAL EXPENDITURES			43,122,860.07	18,004,540.48	61,127,400.55

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32

PCRAF

This form has three parts

- A—Undistributed expenditures coded to Fund 01, 09, and 62, and Goals 0000 and 9000
- B—Factors used to allocate expenditures in the respective column
- C—Sum of the allocation factors

	Teacher Full-Time Equivalents				Classroom Units		Pupils Transported
	Instructional Supervision and Administration (Functions 2100-2200)	Library, Media, Technology and Other Instructional Resources (Functions 2420-2495)	School Administration (Function 2700)	Pupil Support Services (Functions 3100-3199 & 3900)	Plant Maintenance and Operations (Functions 8100-8400)	Facilities Rents and Leases (Function 8700)	Pupil Transportation (Function 3600)
A. Amount of Undistributed Expenditures, Funds 01, 09, and 62, Goals 0000 and 9000 (will be allocated based on factors input)	926,399.18	1,166,764.92	2,920,059.03	2,657,830.41	4,684,878.63	12,437.18	1,123,287.35
B. Enter Allocation Factor(s) by Goal: <small>(Note: Allocation factors are only needed for a column if there are undistributed expenditures in line A.)</small>	FTE Factor(s)	FTE Factor(s)	FTE Factor(s)	FTE Factor(s)	CU Factor(s)	CU Factor(s)	PT Factor(s)
Instructional Goals							
0001 Pre-Kindergarten							
1110 Regular Education, K-12	220.11	220.11	220.11	220.11	252.00	252.00	1,880.00
3100 Alternative Schools							
3200 Continuation Schools	4.50	4.50	4.50	4.50	5.50	5.50	
3300 Independent Study Centers							
3400 Opportunity Schools	0.60	0.60	0.60	0.60	0.60	0.60	
3550 Community Day Schools	2.00	2.00	2.00	2.00	2.00	2.00	
3700 Specialized Secondary Programs							
3800 Career Technical Education	5.80	5.80	5.80	5.80	5.00	5.00	
4110 Regular Education, Adult							
4610 Adult Independent Study Centers							
4620 Adult Correctional Education							
4630 Adult Career Technical Education							
4760 Bilingual							
4850 Migrant Education							
5000-5999 Special Education (allocated to 5001)	39.50	39.50	39.50	39.50	39.00	39.00	105.00
6000 ROCP							
Other Goals							
7110 Nonagency - Educational							
7150 Nonagency - Other							
8100 Community Services							
8500 Child Care and Development Services							
Other Funds							
.. Adult Education (Fund 11)							
.. Child Development (Fund 12)							
.. Confessions (Funds 13 & 41)							
C. Total Allocation Factors	272.61	272.61	272.61	272.61	304.10	304.10	1,985.00

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33

PCRAF

Looking at just the special education row (Goals 5000-5999), more than \$1.7 million is allocated—which impacts the measurement of compliance with the MOE

Goals 5000-5999			
Function Codes	Undistributed Expenditures	Allocation to Special Education	Allocated Expenditures
2100-2200	\$926,399	14.49% (39.50 / 272.51)	\$134,235
2420-2495	\$1,166,765	14.49% (39.50 / 272.51)	\$169,064
2700	\$2,920,059	14.49% (39.50 / 272.51)	\$423,116
3100-3199 and 3900	\$2,657,830	14.49% (39.50 / 272.51)	\$385,120
8100-8400	\$4,684,879	12.82% (39.00 / 304.10)	\$600,601
8700	\$12,437	12.82% (39.00 / 304.10)	\$1,594
3600	\$1,123,288	5.59% (105.00 / 1,880.00)	\$62,791
Total	\$13,491,657		\$1,776,521

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34

Implications of PCRA and Indirect Costs—LEA 4

- LEA 4 charges indirect costs and the PCRA
- Total amount increases expenditures by \$543,266.92
- LEA 4 is growing its MOE obligation year over year without increased special education services

7310	Transfers of Indirect Costs	115,172.51
7350	Transfers of Indirect Costs - Interfund	0.00
PCRA	Program Cost Report Allocations	428,094.41
	Total Indirect Costs and PCR Allocations	543,266.92

	1. Total Special Education Expenditures	2. Less: Expenditures Paid From Federal Sources	Program Cost Report Allocations (PCRA)
	B	C	X
2014-2015	2,195,147.94	390,317.18	79,235.49
2015-2016	2,711,479.41	308,064.11	95,639.73
2016-2017	3,076,094.92	378,511.35	171,713.49
2017-2018	3,072,618.18	370,166.88	284,518.97
2018-2019	3,293,231.62	342,541.88	277,663.69
2019-2020	3,423,962.65	352,575.93	353,795.78
2020-2021	3,621,962.19	332,986.83	428,094.41

Year	Expenditures (Compliance) SEMA - SACS2020ALL	Pass	Comparison Year	Pass
2019-2020	\$ 3,071,386.72	Pass	\$ 14,909.64	Pass
2020-2021	\$ 3,288,975.36	Pass	\$ 15,888.77	Pass
	Expenditures (Eligibility No PCRA) SEMB - SACS2021ALL	Comparison Year	\$ 15,888.77	Comparison Year
	(Expenditures less PCRA for Comparison Year)	2020-2021	\$ (2,068.09)	2020-2021
	\$ 2,860,880.95	2020-2021	\$ 13,820.68	2020-2021
2021-2022	Budget (Eligibility) SEMB - SACS2021ALL	Pass	\$ 14,389.94	Pass
	\$ 2,993,107.00		\$ -	

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35

Local Discretion for Indirect Costs and the PCRA—LEA 4

- LEAs are not obligated to charge indirect costs
- LEAs can use the state assigned indirect cost rate or set a rate lower than the allowed limit
- Reduction of indirect cost charge can be done year over year or all at once
 - Remember to note rationale for audit questions
 - This is likely a one-way shift
- Here, LEA 4 expenditures reduced by \$115,000 of indirect cost, which still allows a passed test
- LEA 4 PCRA reduced to \$200K
- The PCRA is discretionary
- Always check for accuracy
- Consider whether the PCRA is appropriate for LEA and MOE needs
- Reducing the PCRA can take multiple years
- Shifts in the PCRA are easier to manage from year to year, as they are rarely audited

Year	Expenditures (Compliance) SEMA - SACS2020ALL	Pass	Comparison Year	Pass
2019-2020	\$ 3,071,386.72	Pass	\$ 14,909.64	Pass
2020-2021	\$ 3,173,975.36	Pass	\$ 15,333.21	Pass
	Expenditures (Eligibility No PCRA) SEMB - SACS2021ALL	Comparison Year	\$ 15,333.21	Comparison Year
	(Expenditures less PCRA for Comparison Year)	2020-2021	\$ (966.18)	2020-2021
	\$ 2,973,975.36	2020-2021	\$ 14,367.03	2020-2021
2021-2022	Budget (Eligibility) SEMB - SACS2021ALL	Pass	\$ 14,459.45	Pass
	\$ 2,993,107.00		\$ -	

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Annual MOE Monitoring Plan

37

Planning an Annual Cycle of Monitoring

Ask the following questions:

- What can you do to monitor the impact of MOE locally?
- How does your team document any changes to budget?
- How often should you track changes?

Things to consider . . .

- Ensure flexibility to respond to increased student needs
- Ensure programs are designed for current and future needs
- Right size budgets to take advantage of opportunities to lower the MOE obligation or plan for shifts in the future



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38

Analysis of Local Opportunities

- What opportunities or qualifying exemptions can your LEA consider?
- Do you have the correct documentation to project the impact of exemptions?
- Are there flexibilities to consider in terms of allocation of costs, expenditures, and charges?
- Are there multiyear projections in program, enrollment, or pupil count that you should consider and plan for in regards to MOE?
- How can you capture efficiencies and reductions in expenditure due to inclusive practice and Multi-Tiered System of Supports?
- What support is available from your SELPA?



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39

Communication Is Key

Opportunities for Collaboration

- Regular meetings between departments ensure shared understanding of revenues, expenditures, and adjustments to budgets

Align Planning with Requirements

- Alignment of compliance monitoring and LEA strategic plans, including the Local Control Accountability Plan (LCAP), increases effectiveness and efficiency of programs



Fiscal Timelines and Dates

Budget Adopted	July 1
First Interim due to COE ¹ <i>For the period ending Oct. 31</i>	December 15
Second Interim due to COE <i>For the period ending Jan. 31</i>	March 15
End-of-Year Closing Activities	July 1 – Sept 15
Final Close of Books	September 15
MOE Submission to CDE ²	November 15

¹County Office of Education

²California Department of Education

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40

Look to the Future by Analyzing Now

Budget Development

- Opportunity to monitor revenues and expenditures and plan for the year ahead
- Opportunity to align mandated activities such as ¹ELOG, ²UPK, ³TK, ⁴CIM, ⁵DPR/LR and the LCAP
- Include analysis of student and program needs, enrollment projections, placements, contracted services, recruitment, hiring, and retention, assignment monitoring, and implementation of inclusive practices

Second Interim Report and Adjustments

- Prior to Second Interim, business and special education program staff should review position control, changes to encumbered funds, new or ending placements and services, projected needs for service providers, equipment, and classrooms
- Monitor MOE trajectory
- Monitor use of one-time funds
- Monitor unexpected expenditures
- Journal transfer balances as needed

¹Extended Learning Opportunity Grant (ELOG); ²Universal PreKindergarten (UPK); ³Transitional Kindergarten (TK); ⁴Compliance and Improvement Monitoring (CIM); ⁵Dispute Prevention and Resolution/Learning Recovery (DPR/LR)

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41

Compliance and Eligibility for Funds Into the Future

End-of-Year Closing

- Prior to submission of closing paperwork, the LEA should run SEMA and SEMB as well as complete Excess Cost Calculation and SYT forms
- Adjustments and movement of expenditures should be completed prior to close of books
- Review qualifying MOE exemptions from prior year in all areas
- Ensure that data points are accurate—pupil count, comparison year, full-time equivalents, etc.
- Ensure accurate California Longitudinal Pupil Achievement Data System submissions
- Begin and complete reviews prior to P-2

New Fiscal Year Activities

- Document all qualifying MOE exemptions from end of fiscal year (FY) to new FY
- Review program projections and staffing
- Review position control
- Monitor enrollment and changes to students, placements, and services
- Complete planning and implement professional development, and obtain needed materials, supplies, or curriculum

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42

State Budget and Opportunities for Alignment

State Budget Impact

- The State Budget can have a large impact on special education revenues and expenditures
- One-time funds can impact MOE (e.g., DPR and LR funds)
- Mandated programs, such as ELO and UPK/TK, may present opportunities for alignment, inclusive practice, and braiding resources to benefit all students
- Shifting allocation of funds, increasing base rates, and offering incentives for LEAs provide opportunities to align special education and general education programs

Updates to Budget Allocation Plan

- The budget allocation plan may need review and revising to update Education Codes, base rates, funding sources, and resource allocations
- Local allocation model and policy should be maximally nimble to allow the SELPA and LEA members to meet their local needs and the needs of their students
- Annual updating of the budget allocation plan goes hand in hand with MOE monitoring

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43

Responsibilities of Partners

Special Education Director

- Monitoring high-cost placements and services
- Tracking student numbers and needs
- Monitoring instructional assistants
- Monitoring consultant services
- Monitoring departed and departing staff
- Monitoring shifts in encumbrance
- Monitoring needs and program shifts in present and coming years

Fiscal Staff

- Monitoring budget, expenditures, and encumbrances
- Monitoring position control
- Monitoring allocation of expenditures
- Monitoring impact of local revenues and philosophy
- Monitoring communication with board and superintendent
- Ensuring alignment of expenditures across the entire system, including the LCAP and other plans

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Thank you!

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