

# Maintenance of Effort and Reductions in General Fund Contribution to Special Education

Alicia Henderson

Field Research

USC School Business Management

2012

## **TABLE OF CONTENTS**

### **I. Introduction**

### **II. Review of Related Literature**

#### **Special Education**

#### **The Legal Obligation to Provide Special Education**

#### **Individuals with Disabilities Act (IDEA)**

#### **Special Education Reform Act**

#### **Maintenance of Effort (MOE)**

#### **Response to Intervention (RtI)**

### **III. Methods and Procedures**

### **IV Findings and Results**

### **V. Summary, Conclusions and Recommendations**

### **VI. Bibliography and References**

### **VII. Appendices**

## **I. INTRODUCTION**

Special education budgets are complex and of great concern to local education agencies (LEAs), particularly in light of the significant general fund required to meet the needs of students with disabilities under the federal Individuals with Disabilities Education Act (IDEA).

Efforts to reduce the general fund contribution may be hindered in light of the a complex requirement that federal funding is subject to the maintenance of effort (MOE), which prohibits a reduction in the level of expenditures except in specified situations.

In most LEAs, the costs for special education are increasing every year. This is coupled with an ever-increasing general fund contribution (sometimes referred to as “encroachment”) to offset the special education expenses.

At the same time, LEAs are working diligently to implement Response to Intervention (RtI), which is a requirement of IDEA (2004). RtI requires general education interventions prior to special education, and holds the potential for cost savings through increased efficiencies and effectiveness. While implementing RtI, LEAs are confronted with the challenge of navigating MOE requirements.

This project will research how LEAs calculate MOE, and current practices regarding this requirement. In addition, this project will explore how districts can realize cost savings in special education expenditures by meeting the learning needs of more students in the general education program without violating MOE requirements.

## **II. REVIEW OF RELATED LITERATURE**

### **Special Education**

Special Education is California's largest state categorical program in terms of dollars, and the second largest federal program. For a variety of reasons, Special Education funding can be quite complicated and is often seen as operating outside of the regular school finance system.

About 11% of students in California receive Special Education, and those services are paid for through a combination of federal, state and local funding sources. The overarching obligations related to Special Education leave school districts with very limited flexibility in terms of the services they must provide and thus the costs they incur.

### **The Legal Obligation to Provide Special Education Services**

A series of court rulings, plus both federal and state law, obligate school districts to provide special services to students with exceptional needs. They have also established procedural rights for both parents and children. The following laws and court rulings give a sense of how the law has evolved over time.

### **Individuals with Disabilities Education Act (IDEA)**

IDEA was a reauthorization of the federal Education For All Handicapped Children Act of 1975 (PL 94-142). This law guarantees children with exceptional needs to be provided with a free and appropriate public education (FAPE) and requires that each child's education be determined on an individual basis and be designed to meet his or her unique needs in the least restrictive environment (LRE). It also established procedural rights for parents and children.

In the 1997 reauthorization of IDEA, additional requirements were added to the federal law. These include: (1) regular progress reports to parents, (2) including children with disabilities in state and

district assessments to the degree possible, and (3) specifying that regular teachers be a part of the team that develops each child's Individual Education Program (IEP).

The reauthorization of IDEA in 2004 included additional responsibilities for the general education program in meeting the needs of students needing assistance. Response to Intervention (RtI) was introduced as an expectation that students should not be identified as having a disability until they have had the benefit of an adequate period of time in a research-based intervention in the general education program. The RtI requirement was specifically designed to address the over-identification of students having a specific learning disability (SLD).

### **Special Education Reform Act**

In 1997 the California legislature passed Assembly Bill 602, which changed the state's funding structure for Special Education from one based on a per-qualifying-pupil calculation to a population-based method. Under this law, Special Education funds are allocated according to the total student population in a Special Education Local Plan Area (SELPA) rather than on the number of identified Special Education students in a district.

The individual SELPAs are then responsible for allocating funds for the services provided by the districts to the individual students. This legislation maintains the existing due-process safeguards, which guarantee and protect the rights of parents and students. It also keeps the existing requirement that Special Education programs remain subject to state audit under the law.

### **Maintenance of Effort (MOE)**

Since 1997, the federal Special Education funds under Part B of IDEA are subject to the maintenance of effort (MOE) requirement. This requirement states that Part B IDEA funds shall not be used, except in specified situations, to reduce the level of expenditures for the education of children with disabilities made by the LEA from state and local funds only, below the prior year's level. This test must be met on either an aggregate or per capita basis.

Specifically, the MOE requires the Part B IDEA funds:

- Shall be used only to pay the excess costs of providing special education and related services to children with disabilities,
- Shall be used to supplement state, local and other federal funds and to supplant such funds, and
- Shall not be used, except in specified cases, to reduce the level of state and local special education expenditures below that of the prior year.

The SELPA is responsible for reporting compliance with MOE on an annual basis, to include data from each member district. If a single member district is in violation of MOE, the entire SELPA is deemed to be in violation. Consequences accompanying such violation include loss of federal funding for Special Education.

#### *Demonstrating Compliance with MOE Requirements*

Compliance with federal MOE requirements requires financial data to verify that LEAs have maintained their level of expenditures for special education services. (i.e., spent more state and local dollars on special education programs each year). Special education budgets are complex and must separately identify distinct elements including the following:

1. SELPA apportionment
2. Administrative costs
3. Costs for low-incidence and severe disabilities
4. Costs for nonsevere disabilities
5. Costs of supplemental aids and services
6. Costs of regionalized operations and services, and instructional support by program specialist
7. Use of property taxes allocated to SELPA

Financial data is calculated for MOE according to the standardized account code structure (SACS). The special education costs are broken down by goal and function fields for state reporting. Accurate coding of special education transactions require a thorough understanding of the different objectives as well as the type of instruction provided. For example, it is necessary to distinguish costs of providing services

to students with severe disabilities from those for students with nonsevere disabilities. In some cases, a special education cost may serve two functions (e.g. a paraprofessional working with students in the special day class for half day, and assisting with mainstreaming in the general education class the other half of the day). In such cases, this cost needs to be split between the two functions.

Each LEA provides its special education unaudited actual expenditure data in one report and the revised budget for the next year in a second report. These reports list the special education expenditures in total by goal and object code, then subtract out federal expenditures to arrive at the state and local expenditures. These two reports are forwarded to the LEA's SELPA administrative unit (AU) for consolidation with the SELPA AU's own expenditures. The SELPA AU will then combine the figures to determine the prior year unaudited actuals and the current year budget for the SELPA as a whole. The results are summarized on a final report, which checks MOE in three tests:

- The first tests whether the SELPA's state and local special education budget is at least equal to that which was spent in the prior year, either in total or on a per-capita basis.
- If the first test fails, the SELPA can treat up to 20% of its increase in federal Part B IDEA funds as local funds, which may result in meeting the MOE requirement.
- If the second test still shows a reduction in expenditures, the SELPA will identify and calculate federally allowed exceptions:
  1. The voluntary departure or departure for just cause of special education or related services personnel who are replaced by qualified, lower salaried staff;
  2. A decrease in the enrollment of children with disabilities.
  3. The SELPA does not have the obligation to provide one or more exceptionally costly special education programs to student(s) because they:
    - a. Have left the SELPA;
    - b. Have reached the age at which the SELPA is no longer required to provide free and appropriate public education (FAPE) to the student(s);
    - c. No longer need special education.
  4. The termination of costly expenditures for long-term purchases, such as the acquisition of equipment or the construction of facilities; or
  5. The assumption of cost by the high cost fund operated by the SEA under 34 CFR Sec. 3000.704 (c)

## **Response to Intervention (RtI)**

RtI is a system of progressively more intensive support for struggling students. The National Center on RtI provides the following definition:

With RtI, schools identify students at risk for poor learning outcomes, monitor student progress, provide evidence-based interventions and adjust the intensity and nature of those interventions depending on a student's responsiveness, and identify students with learning disabilities or other disabilities. (NCRTI, 2010)

These elements of RtI can be observed readily in almost any RtI implementation. Struggling children are identified through a poor performance on a class wide, school wide, or district wide screening intended to indicate which children may be at risk of academic or behavioral problems. A child may also be identified through other means, such as teacher observation. The school provides the child with research-based interventions while the child is still in the general education environment and closely monitors the student's progress (or response to the interventions), and adjusts their intensity or nature, given the student's progress. RtI can also be instrumental in identifying students who have learning disabilities as distinct from students who simply need more supporting learning to read.

### **RTI typically has different levels of intensity**

**Tier 1** At-risk children who have been identified through a screening process receive research-based instruction, sometimes in small groups, sometimes as part of a class wide intervention. A certain amount of time (generally not more than six or eight weeks) is allotted to see if the child responds to the intervention—hence, the name RtI. Each student's progress is monitored closely. If the child does, indeed, respond to the research-based intervention, then this indicates that perhaps his or her difficulties have resulted from less appropriate or insufficiently targeted instruction.

**Tier 2** If, however, the child does not respond to the first level of group-oriented interventions, he or she typically moves to the next RtI level. The length of time in Tier 2 is generally a bit longer than in Tier 1, and the level of intensity of the interventions is greater. They may also be more closely targeted to the areas in which the child is having difficulty. Again, child progress is closely monitored. The time

allotted to see if the child responds to interventions in this more intensive level may be longer than in the first level—a marking period, for instance, rather than six weeks—but the overall process is much the same. If the child shows adequate progress, then the intervention has been successful and a “match” has been found to what type of instruction works with that child. It is quite possible that, if the problem is caught early enough and addressed via appropriate instruction, the child learns the skills necessary to continue in general education without further intervention.

**Tier 3** If the child does not respond adequately to the intervention(s) in Tier 2, then a third level becomes an option for continued and yet more intensive intervention. This third level is typically more individualized as well. If the child does not respond to instruction in this level, then he or she is likely to be referred for a full and individual evaluation under IDEA.

The data gathered on the child’s response to interventions in Tiers 1, 2, and 3 become part of the information available during the evaluation process and afterwards, when a determination must be made as to disability and the child’s possible eligibility for special education and related services. Considering the amount of data typically collected in an RtI approach, thanks to its monitoring of student progress all along the way, the information that will now be available should be very helpful to the team of individuals involved in evaluating the child and determining his or her eligibility for special education services.

At **any** point in this multileveled process, a child may be referred for evaluation under IDEA to determine if he or she is a “child with a disability” as IDEA 2004’s regulation defines the term. Becoming involved in RtI does not mean that a child has to complete a level, or all levels, of an RtI approach before he or she may be evaluated for eligibility for special education and related services. The IDEA 2004’s regulation is very clear about this. RtI may not be used as a means of delaying or refusing to conduct such an evaluation if the school suspects that the child has a disability or if the parents request that the school system evaluate the child.

RtI holds the promise of reducing the number of students identified as requiring Special Education, thus reducing the costs associated with this program.

### **III. METHODS AND PROCEDURES**

## Research

An in-depth analysis was done on one SELPA in Santa Clara County: the South East Consortium for Special Education. This SELPA includes eleven LEAs with an enrollment of 116,126 students (Table 1).

LEA / District	Enrollment
Alum Rock USD	13,060
Berryessa ESD	8,224
East Side Union HSD	25,676
Evergreen ESD	13,388
Franklin-McKinley SD	10,274
Gilroy USD	11,077
Milpitas USD	9,887
Morgan Hill USD	9,532
Mt. Pleasant ESD	2,593
Oak Grove ESD	11,535
Orchard ESD	880
Total	116,126

Table 1. LEAs and enrollment in South East SELPA

The analysis included the MOE calculations (refer to Appendix A) for each LEA based on the Unaudited Actuals (2011-12 Budget vs. 2010-11 Actual Comparison). The range of 2011-12 budgeted total LEA expenditures for special education was from \$34,848,905 (East Side Union HSD) to \$1,064,482 (Orchard ESD). The range of actual per capita state and local expenditures for 2010-11 was from \$13,682 (Mt. Pleasant ESD) to \$7,836 (Evergreen ESD).

In calculating MOE, the current year budgeted state and local expenditures, in total or per capita, must be greater than the prior year's net state and local expenditures. Table 2 contains specific special education expenditures used in the MOE calculation for all eleven LEAs in the South East SELPA.

LEA / District	<u>Net change in LEA expenditures for special education paid from state &amp; local sources</u> <small>(2011-12 Budgeted minus 2010-11 Actuals)</small>	<u>LEA per capita change in expenditures for special education paid from state &amp; local sources</u> <small>(2011-12 Budgeted minus 2010-11 Actuals)</small>
Alum Rock USD	\$671,807	\$528
Berryessa ESD	\$1,126,805	\$1,433
East Side Union HSD	\$1,883,244	\$784
Evergreen ESD	\$1,260,722	\$1,314
Franklin-McKinley SD	\$797,097	\$824
Gilroy USD	\$311,582	\$311
Milpitas USD	\$1,479,527	\$1,669
Morgan Hill USD	\$1,467,207	\$1,414
Mt. Pleasant ESD	(\$210)	(\$0)
Oak Grove ESD	\$629,917	\$592
Orchard ESD	\$95,777	\$1,243

Table 2. MOE Calculations for LEAs in the South East SELPA

Compliance with the MOE requirement can be fulfilled if either the net LEA changes in special education expenditures or the LEA per capita changes in expenditures paid from state and local sources are positive.

In this analysis, one LEA (Mt. Pleasant ESD) had a negligible negative MOE calculation. Upon further review, this district miscalculated indirect costs (under-calculation) resulting in these errors. The corrected calculation will be a positive amount of about \$90,000 for the net LEA expenditure and about \$1,000 per capita.

The LEA with the greatest increase in per capita expenditures for special education paid from state and local sources was Milpitas USD with an increase of \$1,669 per capita (refer to Appendix B). In comparing the 2010-11 Expenditures with the 2011-12 Budget for Milpitas USD, it appears that this increase is largely due to increased expenditures in the 5000-5999 Object, which is for services and other operating expenditures. One area that many LEAs struggle to contain is the high cost of contracting services to meet special education needs in a district, which is likely the reason why the per capita costs have increased so much in Milpitas USD.

A more in-depth analysis was made on one LEA for the purpose of determining potential cost savings in special education expenditures in light of MOE requirements. The district selected for this analysis was Franklin-McKinley SD (refer to Appendix C). With an enrollment of 10,274 students, the total cost for special education in 2011-12 for this LEA was budgeted at \$11,576,365. There was a federal contribution of \$1,740,112, and the remaining \$9,836,253 came from state and local sources. The net increase in 2011-12 LEA expenditures for special education paid from state and local sources was \$797,097.

For 2011-12, the per capita cost for special education in Franklin-McKinley SD was budgeted at \$10,171, which represents a per capita increase in cost of \$824. This per capita increase is one of the lowest increases in the South East SELPA, and may represent a desired fiscal impact to curb escalating increases through the intentional programming decisions to implement RtI.

In comparing the 2010-11 Expenditures with the 2011-12 Budget for Franklin-McKinley SD, the differences fall into multiple categories (refer to Appendix D). The increase in certificated salaries (Object 1000-1999) reflects simple step and column adjustments, with no increase in certificated staffing. The \$127,727 increase in classified staff (Object 2000-2999) reflects the increase in behavior intervention therapists to meet the needs of the increasing autism population. There was a significant increase in employee benefits (Object 3000-3999) of \$287,293 which does not reflect any increase in coverage for employees, but rather just the increased cost of status quo coverage. The other significant increase (\$215,796) was in services and operating expenses (Object 5000-5999), which was due to a \$75,000 contract to support the autism programs, and 3 students moving into the District who were

already placed in Non-Public Schools. In summary, the increased special education costs in Franklin-McKinley SD appear to be related primarily to the low incidence / severe population.

Object Code & Description	2011-12 Budget	2010-11 Expenditures	Difference
1000-1999 Certificated Salaries	\$4,962,697	\$4,880,091	\$8,2606
2000-2999 Classified Salaries	\$2,162,479	\$2,034,752	\$127,727
3000-3999 Employee Benefits	\$2,210,856	\$1,923,563	\$287,293
4000-4999 Books and Supplies	\$41,580	\$38,028	\$3,552
5000-5999 Services & Operating Expenses	\$2,198,753	\$1,982,957	\$215,796
6000-6999 Capital Outlay	0	0	0
7130 State Schools	0	0	0
7430-7439 Debt Service	0	0	0
Total Direct Costs	\$11,576,365	\$10,859,392	\$716,973

Table 3. Franklin-McKinley SD Special Education 2010-11 Expenditures and 2011-12 Budget

## Interviews

The perspective of MOE held by those who deal directly with the annual task of establishing compliance can be summarized as a matter-of-fact expectation that it will never be a problem because special education costs consistently increase every year. Calculating MOE is considered a task that must be taken seriously because of the risk associated with loss of federal funds, however there is little, if any, concern that there will ever be a reduction in special education costs.

Apparently there was some concern recently regarding the potential decline in state and local contributions to special education costs as a result of the federal Jobs Bill (AARA), which offset staff salaries in 2009-2010. LEAs were extra cautious to utilize these funds and account for them in a manner that would not result in a negative MOE calculation. In the South East SELPA, this did not pose any problems because the impact of the Jobs Bill was offset by increased costs in other areas.

The calculation of MOE depends upon SACs coding, and business staff rely on financial software to perform the calculations and generate the reports. Given the complexity of coding special education expenditures, this may be an area where coding does not always accurately reflect goals and functions. It is unlikely to significantly affect the MOE calculation; however it is an area worthy of further investigation. Instructional and administrative staff responsible for coding expenses may not fully appreciate the intricacies in special education coding.

There is a sentiment that MOE is a simplistic accountability metric that does not capture what is really important: the quality of services. There is also some resentment that the federal government should not require mandates such as MOE accountability since they have not lived up to their commitment to fund special education at the level promised.

Among school business officials, increasing special education costs is a continuing concern, but MOE is rarely a topic of conversation other than in the context of the various annual compliance tasks. Special education has been referred to as a “3-headed monster” that is a formidable adversary.

Staff who are familiar with the instructional side of special education are optimistic that RtI will have positive impacts both on school budgets and in meeting the learning needs of all students. It was

suggested that currently 56% of students identified as having IDEA-eligible learning needs are actually “instructional casualties”. That is, students are over-identified as either Learning Disabled or Speech-Language Impaired as a result of inadequate general education instruction.

The perspective of RtI from a business perspective is somewhat different. Namely, that it might be more expensive if not implemented correctly. There is a concern that more staff could be hired without realizing any reductions in special education costs. Moreover, there is an over-riding concern that instructional staff lack an appreciation for fiscal stewardship as exemplified by the practice of including unnecessary transportation on IEPs.

#### **IV. FINDINGS AND RESULTS**

The results of this study will be presented at a Franklin-McKinley School Board meeting in spring 2012. Additionally, it will be presented to CBOs for all LEAS in the South East SELPA at a regularly scheduled monthly meeting.

## **V. SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

The MOE requirement was enacted in 1997 to ensure that LEAs continue to maintain their effort in meeting the needs of students with disabilities. The method established to verify that LEAs were in fact maintaining this effort was based on an assumption that the amount of dollars spent equates to effort, and that an increase in costs is to be expected.

Though this logic can be questioned on a number of fronts, it is particularly questionable in this era of fiscal instability and in light of more progressive methods to meet the learning needs of struggling students outside of special education through RtI.

Although implementation of RtI may ultimately reduce the total LEA expenditures for special education, it is unlikely that MOE requirements will be violated. This is because the main effect will be to reduce the number of high incidence / nonsevere students identified in special education (i.e. Learning Disabled and Speech-Language Impaired). The number of low incidence / severe students is unlikely to be impacted by RtI, and these are the students associated with the highest costs. Since MOE requirements can be met either by increases in net LEA expenditures or in the per capita expenditures, it is likely that a reduced special education population with fewer nonsevere students (and thus a higher percentage of severe students) will continue to meet the per capita criteria through just cost of living increases.

This project further supports the recommendation (and IDEA requirement) to fully implement RtI in order to meet the learning needs of most students in the general education program. Concerns about violating MOE requirements are not warranted in considering the implementation of RtI.

Efforts to reduce net LEA expenditures for special education should include building capacity to provide academic supports to struggling students in the general education program through RtI, and in developing an appreciation for fiscal stewardship amongst educators.

## **VI. BIBLIOGRAPHY AND REFERENCES**

### **Interviewees**

Nancy Birnbaum, Ed.D.  
Director, South East SELPA

Joann Chin  
Director of Finance, Franklin-McKinley School District

Ray Easler, Ph.D.  
Director of Special Education, Franklin-McKinley School District

Tim McClary  
Deputy Superintendent, Business Services / CBO, Franklin-McKinley School District

Mai-Huong Vu  
Fiscal Advisor, South East SELPA

Jennifer Willis  
Program Specialist, South East SELPA

### **Printed & Digital Sources**

California Department of Education

Ed Source

California School Accounting Manual

School Services of California

California Education Code

Franklin-McKinley SD Financial Reports

South East SELPA Financial Reports

California Association of School Business Officials (CASBO)

California School Boards Association (CSBA)

California Legislative Analyst's Office (LAO)

**VII. APPENDICES**

Appendix A

MOE Calculations for South East SELPA

Appendix B

Milpitas USD: 2010 Expenditures & 2011-12 Budget

Appendix C

Franklin-McKinley SD: Unaudited Actuals for Special Education Maintenance of Effort

Appendix D

Franklin-McKinley SD 2010-11 Unaudited Actuals: Special Education 1010-11 Expenditures & 2011-12 Budget

Appendix A

MOE Calculations for South East SELPA

43 69369 0000000  
Report SEMB

Unaudited Actuals  
Special Education Maintenance of Effort  
2011-12 Budget vs. 2010-11 Actual Comparison  
LEA Maintenance of Effort Calculation (LMC-B)

Rock Union Elementary  
Harrison County

LEPA: (??)	Budgeted Amounts FY 2011-12 (LB-B Worksheet)	Actual Expenditures FY 2010-11 (LE-B Worksheet)	Difference (A - B)
<b>COMBINED STATE AND LOCAL EXPENDITURES METHOD</b>			
1. Total special education expenditures	15,452,752.60		
2. Less: Expenditures paid from federal sources	2,343,725.47		
3. Expenditures paid from state and local sources	13,109,027.13	12,437,219.21	
Less: Exempt reduction(s) from SECTION 1		0.00	
Less: 50% reduction from SECTION 2		0.00	
Net expenditures paid from state and local sources	13,109,027.13	12,437,219.21	671,807.92
4. Special education unduplicated pupil count	1,306	1,306	
5. Per capita state and local expenditures (A3/A4)	10,037.54	9,508.58	528.96

If one or both of the differences in lines A3 and A5, Column C, are positive (current year budgeted state and local expenditures, in total or per capita, are greater than prior year's net state and local expenditures), the MOE requirement is met; Part B can still be completed.

If both lines A3 and A5, Column C, are negative, the MOE is not met based on combined state and local expenditures, and Part B must be completed.

Berryessa Union Elementary  
Santa Clara County

Unaudited Actuals  
Special Education Maintenance of Effort  
2011-12 Budget vs 2010-11 Actual Comparison  
LEA Maintenance of Effort Calculation (LMC-B)

43 69377 000000  
Report SEME

SELPA: (27)

**SECTION 2**

Reduction to MOE Requirement Under IDEA, Section 613(a)(2)(C) (34 CFR Sec. 300.205).  
IMPORTANT NOTE: Only LEAs that have a "meets requirement" compliance determination and that are not found significantly disproportionate for both the current year and prior year are eligible to use this option to reduce their MOE requirement.

Up to 50% of the increase in IDEA Part B Section 611 funding in current year compared with prior year may be used to reduce the required level of state and local expenditures. This option is available only if the LEA used or will use the freed-up funds for activities authorized under the Elementary and Secondary Education Act of 1965. Also, the amount of Part B funds used for early intervening services will count toward the maximum amount by which the LEA may reduce its MOE requirement under this exception (P.L. 108-446).

	State and Local	Local Only
Current year funding (IDEA Section 611 Local Assistance Grant Awards - Resources 3310 and 3320)		
Less: Prior year's funding (IDEA Section 611 Local Assistance Grant Awards - Resources 3310 and 3320)		
Increase in funding (if difference is positive)	0.00	
50% of increase in funding	0.00	
Enter portion used to reduce MOE requirement (cannot exceed 50% of increase in funding less Part B funds used for early intervening services)		

**SECTION 3**

	Column A	Column B	Column C
	Budgeted Amounts FY 2011-12 (LE-B Worksheet)	Actual Expenditures FY 2010-11 (LE-B Worksheet)	Difference (A - B)
<b>A. COMBINED STATE AND LOCAL EXPENDITURES METHOD</b>			
1. Total special education expenditures	9,602,637.00		
2. Less: Expenditures paid from federal sources	1,426,068.00		
3. Expenditures paid from state and local sources	7,574,569.00	6,447,783.66	
Less: Exempt reduction(s) from SECTION 1	0.00	0.00	
Less: 50% reduction from SECTION 2	0.00	0.00	
Net expenditures paid from state and local sources	7,574,569.00	6,447,783.66	1,126,805.34
4. Special education unduplicated pupil count	786	786	
5. Per capita state and local expenditures (A3/A4)	9,636.86	8,203.26	1,433.60

If one or both of the differences in lines A3 and A5, Column C, are positive (current year budgeted state and local expenditures, in total or per capita, are greater than prior year's net state and local expenditures), the MOE requirement is met; Part B can still be completed.

If both lines A3 and A5, Column C, are negative, the MOE is not met based on combined state and local expenditures, and Part B must be completed.

East Side Union High  
Santa Clara County

Unaudited Actuals  
Special Education Maintenance of Effort  
2011-12 Budget vs. 2010-11 Actual Comparison  
LEA Maintenance of Effort Calculation (LMC-B)

43 69427 000000  
Report SEMB

SELPA: Southeast Consortium (ND)

SECTION 2

Reduction to MOE Requirement Under IDEA, Section 613 (a)(2)(C) (34 CFR Sec. 300.205)

IMPORTANT NOTE: Only LEAs that have a "meets requirement" compliance determination and that are not found significantly disproportionate for both the current year and prior year are eligible to use this option to reduce their MOE requirement.

Up to 50% of the increase in IDEA Part B Section 611 funding in current year compared with prior year may be used to reduce the required level of state and local expenditures. This option is available only if the LEA used or will use the freed up funds for activities authorized under the Elementary and Secondary Education Act of 1965. Also, the amount of Part B funds used for early intervening services will count toward the maximum amount by which the LEA may reduce its MOE requirement under this exception (P.L. 108-446).

	<u>State and Local</u>	<u>Local Only</u>
Current year funding (IDEA Section 611 Local Assistance Grant Awards - Resources 3310 and 3320)		
Less: Prior year's funding (IDEA Section 611 Local Assistance Grant Awards - Resources 3310 and 3320)		
Increase in funding (if difference is positive)	0.00	
50% of increase in funding	0.00	
Enter portion used to reduce MOE requirement (cannot exceed 50% of increase in funding less Part B funds used for early intervening services)		

SECTION 3

	<u>Column A</u>	<u>Column B</u>	<u>Column C</u>
	<u>Budgeted Amounts FY 2011-12 (LB-B Worksheet)</u>	<u>Actual Expenditures FY 2010-11 (LE-B Worksheet)</u>	<u>Difference (A - B)</u>
<b>A. COMBINED STATE AND LOCAL EXPENDITURES METHOD</b>			
1. Total special education expenditures	34,848,905.00		
2. Less: Expenditures paid from federal sources	4,713,743.00		
3. Expenditures paid from state and local sources	30,135,162.00	28,251,917.27	
Less: Exempt reduction(s) from SECTION 1		0.00	
Less: 50% reduction from SECTION 2		0.00	
Net expenditures paid from state and local sources	30,135,162.00	28,251,917.27	1,883,244.73
4. Special education unduplicated pupil count	2,400	2,400	
5. Per capita state and local expenditures (A3/A4)	12,556.32	11,771.63	784.69

If one or both of the differences in lines A3 and A5, Column C, are positive (current year budgeted state and local expenditures, in total or per capita, are greater than prior year's net state and local expenditures), the MOE requirement is met; Part B can still be completed.

If both lines A3 and A5, Column C, are negative, the MOE is not met based on combined state and local expenditures, and Part B must be completed.

Evergreen Elementary  
Santa Clara County

Unaudited Actuals  
Special Education Maintenance of Effort  
2011-12 Budget vs. 2010-11 Actual Comparison  
LEA Maintenance of Effort Calculation (LMC-B)

43 69435 000000  
Report SEMB

SELPA: (??)

**SECTION 2**

Reduction to MOE Requirement Under IDEA, Section 613 (a)(2)(C) (34 CFR Sec. 300.205)

IMPORTANT NOTE: Only LEAs that have a "meets requirement" compliance determination and that are not found significantly disproportionate for both the current year and prior year are eligible to use this option to reduce their MOE requirement.

Up to 50% of the increase in IDEA Part B Section 611 funding in current year compared with prior year may be used to reduce the required level of state and local expenditures. This option is available only if the LEA used or will use the freed up funds for activities authorized under the Elementary and Secondary Education Act of 1965. Also, the amount of Part B funds used for early intervening services will count toward the maximum amount by which the LEA may reduce its MOE requirement under this exception (P.L. 108-446).

	<u>State and Local</u>	<u>Local Only</u>
Current year funding (IDEA Section 611 Local Assistance Grant Awards - Resources 3310 and 3320)		
Less: Prior year's funding (IDEA Section 611 Local Assistance Grant Awards - Resources 3310 and 3320)		
Increase in funding (if difference is positive)	0.00	
50% of Increase in funding	0.00	
Enter portion used to reduce MOE requirement (cannot exceed 50% of Increase in funding less Part B funds used for early intervening services)		

**SECTION 3**

	<u>Column A</u>	<u>Column B</u>	<u>Column C</u>
	<u>Budgeted Amounts FY 2011-12 (LB-B Worksheet)</u>	<u>Actual Expenditures FY 2010-11 (LE-B Worksheet)</u>	<u>Difference (A - B)</u>
<b>A. COMBINED STATE AND LOCAL EXPENDITURES METHOD</b>			
1. Total special education expenditures	10,596,009.00		
2. Less: Expenditures paid from federal sources	1,821,095.00		
3. Expenditures paid from state and local sources	8,774,914.00	7,514,191.83	
Less: Exempt reduction(s) from SECTION 1		0.00	
Less: 50% reduction from SECTION 2		0.00	
Net expenditures paid from state and local sources	8,774,914.00	7,514,191.83	1,260,722.17
4. Special education unduplicated pupil count	959	959	
5. Per capita state and local expenditures (A3/A4)	9,150.07	7,838.46	1,314.62

If one or both of the differences in lines A3 and A5, Column C, are positive (current year budgeted state and local expenditures, in total or per capita, are greater than prior year's net state and local expenditures), the MOE requirement is met; Part B can still be completed.

If both lines A3 and A5, Column C, are negative, the MOE is not met based on combined state and local expenditures, and Part B must be completed.

Franklin-McKinley Elementary  
Santa Clara County

Unaudited Actuals  
Special Education Maintenance of Effort  
2011-12 Budget vs. 2010-11 Actual Comparison  
LEA Maintenance of Effort Calculation (LMC-B)

43 69450 000000  
Report SEMB

SELPA: (??)

**SECTION 2**

**Reduction to MOE Requirement Under IDEA, Section 613 (a)(2)(C) (34 CFR Sec. 300.205)**

IMPORTANT NOTE: Only LEAs that have a "meets requirement" compliance determination and that are not found significantly disproportionate for both the current year and prior year are eligible to use this option to reduce their MOE requirement.

Up to 50% of the increase in IDEA Part B Section 611 funding in current year compared with prior year may be used to reduce the required level of state and local expenditures. This option is available only if the LEA used or will use the freed up funds for activities authorized under the Elementary and Secondary Education Act of 1965. Also, the amount of Part B funds used for early intervening services will count toward the maximum amount by which the LEA may reduce its MOE requirement under this exception (P.L. 108-446).

	State and Local	Local Only
Current year funding (IDEA Section 611 Local Assistance Grant Awards - Resources 3310 and 3320)		
Less: Prior year's funding (IDEA Section 611 Local Assistance Grant Awards - Resources 3310 and 3320)		
Increase in funding (if difference is positive)	0.00	
50% of Increase in funding	0.00	
Enter portion used to reduce MOE requirement (cannot exceed 50% of Increase in funding less Part B funds used for early intervening services)		

**SECTION 3**

	Column A	Column B	Column C
	Budgeted Amounts FY 2011-12 (LB-B Worksheet)	Actual Expenditures FY 2010-11 (LE-B Worksheet)	Difference (A - B)
<b>A. COMBINED STATE AND LOCAL EXPENDITURES METHOD</b>			
1. Total special education expenditures	11,576,365.00		
2. Less: Expenditures paid from federal sources	1,740,112.00		
3. Expenditures paid from state and local sources	9,836,253.00	9,039,155.83	
Less: Exempt reduction(s) from SECTION 1		0.00	
Less: 50% reduction from SECTION 2		0.00	
Net expenditures paid from state and local sources	9,836,253.00	9,039,155.83	797,097.17
4. Special education unduplicated pupil count	967	967	
5. Per capita state and local expenditures (A3/A4)	10,171.93	9,347.63	824.30

If one or both of the differences in lines A3 and A5, Column C, are positive (current year budgeted state and local expenditures, in total or per capita, are greater than prior year's net state and local expenditures), the MOE requirement is met; Part B can still be completed.

If both lines A3 and A5, Column C, are negative, the MOE is not met based on combined state and local expenditures, and Part B must be completed.

Gilroy Unified  
Santa Clara County

Unaudited Actuals  
Special Education Maintenance of Effort  
2011-12 Budget vs. 2010-11 Actual Comparison  
LEA Maintenance of Effort Calculation (LMC-B)

43 69484 000000  
Report SEMB

SELPA: Southeast Consortium (ND)

**SECTION 2**

**Reduction to MOE Requirement Under IDEA, Section 613 (a)(2)(C) (34 CFR Sec. 300.205)**

IMPORTANT NOTE: Only LEAs that have a "meets requirement" compliance determination and that are not found significantly disproportionate for both the current year and prior year are eligible to use this option to reduce their MOE requirement.

Up to 50% of the increase in IDEA Part B Section 611 funding in current year compared with prior year may be used to reduce the required level of state and local expenditures. This option is available only if the LEA used or will use the freed up funds for activities authorized under the Elementary and Secondary Education Act of 1965. Also, the amount of Part B funds used for early intervening services will count toward the maximum amount by which the LEA may reduce its MOE requirement under this exception (P.L. 108-446).

	<u>State and Local</u>	<u>Local Only</u>
Current year funding (IDEA Section 611 Local Assistance Grant Awards - Resources 3310 and 3320)		
Less: Prior year's funding (IDEA Section 611 Local Assistance Grant Awards - Resources 3310 and 3320)		
Increase in funding (if difference is positive)	0.00	
50% of increase in funding	0.00	
Enter portion used to reduce MOE requirement (cannot exceed 50% of increase in funding less Part B funds used for early intervening services)		

**SECTION 3**

	<u>Column A</u>	<u>Column B</u>	<u>Column C</u>
	<u>Budgeted Amounts FY 2011-12 (LE-B Worksheet)</u>	<u>Actual Expenditures FY 2010-11 (LE-B Worksheet)</u>	<u>Difference (A - B)</u>
<b>A. COMBINED STATE AND LOCAL EXPENDITURES METHOD</b>			
1. Total special education expenditures	11,290,576.00		
2. Less: Expenditures paid from federal sources	1,861,871.00		
3. Expenditures paid from state and local sources	9,428,705.00	9,117,122.81	
Less: Exempt reduction(s) from SECTION 1		0.00	
Less: 50% reduction from SECTION 2		0.00	
Net expenditures paid from state and local sources	9,428,705.00	9,117,122.81	311,582.19
4. Special education unduplicated pupil count	1,000	1,000	
5. Per capita state and local expenditures (A3/A4)	9,428.71	9,117.12	311.59

If one or both of the differences in lines A3 and A5, Column C, are positive (current year budgeted state and local expenditures, in total or per capita, are greater than prior year's net state and local expenditures), the MOE requirement is met; Part B can still be completed.

If both lines A3 and A5, Column C, are negative, the MOE is not met based on combined state and local expenditures, and Part B must be completed.

Milpitas Unified  
Santa Clara County

Unaudited Actuals  
Special Education Maintenance of Effort  
2011-12 Budget vs. 2010-11 Actual Comparison  
LEA Maintenance of Effort Calculation (LMC-B)

43 73387 000000  
Report SEMB

SELPA: (??)

SECTION 2

Reduction to MOE Requirement Under IDEA, Section 813 (a)(2)(C) (34 CFR Sec. 300.205)

IMPORTANT NOTE: Only LEAs that have a "meets requirement" compliance determination and that are not found significantly disproportionate for both the current year and prior year are eligible to use this option to reduce their MOE requirement.

Up to 50% of the increase in IDEA Part B Section 811 funding in current year compared with prior year may be used to reduce the required level of state and local expenditures. This option is available only if the LEA used or will use the freed up funds for activities authorized under the Elementary and Secondary Education Act of 1965. Also, the amount of Part B funds used for early intervening services will count toward the maximum amount by which the LEA may reduce its MOE requirement under this exception (P.L. 108-446).

	<u>State and Local</u>	<u>Local Only</u>
Current year funding (IDEA Section 811 Local Assistance Grant Awards - Resources 3310 and 3320)	_____	_____
Less: Prior year's funding (IDEA Section 811 Local Assistance Grant Awards - Resources 3310 and 3320)	_____	_____
Increase in funding (if difference is positive)	<u>0.00</u>	_____
50% of Increase in funding	<u>0.00</u>	_____
Enter portion used to reduce MOE requirement (cannot exceed 50% of increase in funding less Part B funds used for early intervening services)	_____	_____

SECTION 3

	<u>Column A</u>	<u>Column B</u>	<u>Column C</u>
	<u>Budgeted Amounts FY 2011-12 (LB-B Worksheet)</u>	<u>Actual Expenditures FY 2010-11 (LE-B Worksheet)</u>	<u>Difference (A - B)</u>
<b>A. COMBINED STATE AND LOCAL EXPENDITURES METHOD</b>			
1. Total special education expenditures	<u>11,232,816.00</u>	_____	_____
2. Less: Expenditures paid from federal sources	<u>1,685,559.00</u>	_____	_____
3. Expenditures paid from state and local sources	<u>9,547,257.00</u>	<u>8,067,729.76</u>	_____
Less: Exempt reduction(s) from SECTION 1	_____	<u>0.00</u>	_____
Less: 50% reduction from SECTION 2	_____	<u>0.00</u>	_____
Net expenditures paid from state and local sources	<u>9,547,257.00</u>	<u>8,067,729.76</u>	<u>1,479,527.24</u>
4. Special education unduplicated pupil count	<u>888</u>	<u>886</u>	_____
5. Per capita state and local expenditures (A3/A4)	<u>10,775.69</u>	<u>9,105.79</u>	<u>1,669.90</u>

If one or both of the differences in lines A3 and A5, Column C, are positive (current year budgeted state and local expenditures, in total or per capita, are greater than prior year's net state and local expenditures), the MOE requirement is met; Part B can still be completed.

If both lines A3 and A5, Column C, are negative, the MOE is not met based on combined state and local expenditures, and Part B must be completed.

Morgan Hill Unified  
Santa Clara County

Unaudited Actuals  
Special Education Maintenance of Effort  
2011-12 Budget vs. 2010-11 Actual Comparison  
LEA Maintenance of Effort Calculation (LMC-B)

43 69583 000000  
Report SEMB

SELPA: (??)

**SECTION 2**

Reduction to MOE Requirement Under IDEA, Section 613 (a)(2)(C) (34 CFR Sec. 300.208)

IMPORTANT NOTE: Only LEAs that have a "meets requirement" compliance determination and that are not found significantly disproportionate for both the current year and prior year are eligible to use this option to reduce their MOE requirement.

Up to 50% of the increase in IDEA Part B Section 611 funding in current year compared with prior year may be used to reduce the required level of state and local expenditures. This option is available only if the LEA used or will use the freed up funds for activities authorized under the Elementary and Secondary Education Act of 1965. Also, the amount of Part B funds used for early intervening services will count toward the maximum amount by which the LEA may reduce its MOE requirement under this exception (P.L. 108-446).

	<u>State and Local</u>	<u>Local Only</u>
Current year funding (IDEA Section 611 Local Assistance Grant Awards - Resources 3310 and 3320)		
Less: Prior year's funding (IDEA Section 611 Local Assistance Grant Awards - Resources 3310 and 3320)		
Increase in funding (if difference is positive)	0.00	
50% of Increase in funding	0.00	
Enter portion used to reduce MOE requirement (cannot exceed 50% of increase in funding less Part B funds used for early intervening services)		

**SECTION 3**

	<u>Column A</u>	<u>Column B</u>	<u>Column C</u>
	<u>Budgeted Amounts FY 2011-12 (LB-B Worksheet)</u>	<u>Actual Expenditures FY 2010-11 (LE-B Worksheet)</u>	<u>Difference (A - B)</u>
<b>A. COMBINED STATE AND LOCAL EXPENDITURES METHOD</b>			
1. Total special education expenditures	13,168,208.00		
2. Less: Expenditures paid from federal sources	1,882,391.00		
3. Expenditures paid from state and local sources	11,305,825.00	9,838,617.27	
Less: Exempt reduction(s) from SECTION 1		0.00	
Less: 50% reduction from SECTION 2		0.00	
Net expenditures paid from state and local sources	11,305,825.00	9,838,617.27	1,467,207.73
4. Special education unduplicated pupil count	1,037	1,037	
5. Per capita state and local expenditures (A3/A4)	10,902.43	9,487.58	1,414.85

If one or both of the differences in lines A3 and A5, Column C, are positive (current year budgeted state and local expenditures, in total or per capita, are greater than prior year's net state and local expenditures), the MOE requirement is met; Part B can still be completed.

If both lines A3 and A5, Column C, are negative, the MOE is not met based on combined state and local expenditures, and Part B must be completed.

Mt. Pleasant Elementary  
Santa Clara County

Unaudited Actuals  
Special Education Maintenance of Effort  
2011-12 Budget vs. 2010-11 Actual Comparison  
LEA Maintenance of Effort Calculation (LMC-B)

43.89617-0000000  
Report SEMB

SELPA: Southeast Consortium (ND)

**SECTION 2**

Reduction to MOE Requirement Under IDEA, Section 613 (a)(2)(C) (34 CFR Sec. 300.205)

IMPORTANT NOTE: Only LEAs that have a "meets requirement" compliance determination and that are not found significantly disproportionate for both the current year and prior year are eligible to use this option to reduce their MOE requirement.

Up to 50% of the increase in IDEA Part B Section 611 funding in current year compared with prior year may be used to reduce the required level of state and local expenditures. This option is available only if the LEA used or will use the freed up funds for activities authorized under the Elementary and Secondary Education Act of 1985. Also, the amount of Part B funds used for early intervening services will count toward the maximum amount by which the LEA may reduce its MOE requirement under this exception (P.L. 108-446).

	State and Local	Local Only
Current year funding (IDEA Section 611 Local Assistance Grant Awards - Resources 3310 and 3320)		
Less: Prior year's funding (IDEA Section 611 Local Assistance Grant Awards - Resources 3310 and 3320)		
Increase in funding (if difference is positive)	0.00	
50% of Increase in funding	0.00	
Enter portion used to reduce MOE requirement (cannot exceed 50% of increase in funding less Part B funds used for early intervening services)		

**SECTION 3**

	Column A	Column B	Column C
	Budgeted Amounts FY 2011-12 (LB-B Worksheet)	Actual Expenditures FY 2010-11 (LE-B Worksheet)	Difference (A - B)
<b>A. COMBINED STATE AND LOCAL EXPENDITURES METHOD</b>			
1. Total special education expenditures	5,834,882.00		
2. Less: Expenditures paid from federal sources	676,865.00		
3. Expenditures paid from state and local sources	5,158,017.00	5,158,227.30	
Less: Exempt reduction(s) from SECTION 1		0.00	
Less: 50% reduction from SECTION 2		0.00	
Net expenditures paid from state and local sources	5,158,017.00	5,158,227.30	(210.30)
4. Special education unduplicated pupil count	377	377	
5. Per capita state and local expenditures (A3/A4)	13,681.74	13,882.30	(0.56)

If one or both of the differences in lines A3 and A5, Column C, are positive (current year budgeted state and local expenditures, in total or per capita, are greater than prior year's net state and local expenditures), the MOE requirement is met; Part B can still be completed.

If both lines A3 and A5, Column C, are negative, the MOE is not met based on combined state and local expenditures, and Part B must be completed.

Oak Grove Elementary  
Santa Clara County

Unaudited Actuals  
Special Education Maintenance of Effort  
2011-12 Budget vs. 2010-11 Actual Comparison  
LEA Maintenance of Effort Calculation (LMC-B)

43 69825 000000  
Report SEMB

SELPA: (??)

**SECTION 2**

Reduction to MOE Requirement Under IDEA, Section 613 (a)(2)(C) (34 CFR Sec. 300.205)

IMPORTANT NOTE: Only LEAs that have a "meets requirement" compliance determination and that are not found significantly disproportionate for both the current year and prior year are eligible to use this option to reduce their MOE requirement.

Up to 50% of the increase in IDEA Part B Section 611 funding in current year compared with prior year may be used to reduce the required level of state and local expenditures. This option is available only if the LEA used or will use the freed up funds for activities authorized under the Elementary and Secondary Education Act of 1965. Also, the amount of Part B funds used for early intervening services will count toward the maximum amount by which the LEA may reduce its MOE requirement under this exception (F.L. 108-446).

	<u>State and Local</u>	<u>Local Only</u>
Current year funding (IDEA Section 611 Local Assistance Grant Awards - Resources 3310 and 3320)	_____	_____
Less: Prior year's funding (IDEA Section 611 Local Assistance Grant Awards - Resources 3310 and 3320)	_____	_____
Increase in funding (If difference is positive)	_____	0.00
50% of Increase in funding	_____	0.00
Enter portion used to reduce MOE requirement (cannot exceed 50% of increase in funding less Part B funds used for early intervening services)	_____	_____

**SECTION 3**

**A. COMBINED STATE AND LOCAL EXPENDITURES METHOD**

	<u>Column A</u>	<u>Column B</u>	<u>Column C</u>
	<u>Budgeted Amounts FY 2011-12 (LB-B Worksheet)</u>	<u>Actual Expenditures FY 2010-11 (LE-B Worksheet)</u>	<u>Difference (A - B)</u>
1. Total special education expenditures	14,354,953.00	_____	_____
2. Less: Expenditures paid from federal sources	1,910,117.00	_____	_____
3. Expenditures paid from state and local sources	12,444,836.00	11,814,918.95	629,917.05
Less: Exempt reduction(s) from SECTION 1	_____	0.00	_____
Less: 50% reduction from SECTION 2	_____	0.00	_____
Net expenditures paid from state and local sources	12,444,836.00	11,814,918.95	629,917.05
4. Special education unduplicated pupil count	1,064	1,064	_____
5. Per capita state and local expenditures (A3/A4)	11,696.27	11,104.25	592.02

If one or both of the differences in lines A3 and A5, Column C, are positive (current year budgeted state and local expenditures, in total or per capita, are greater than prior year's net state and local expenditures), the MOE requirement is met; Part B can still be completed.

If both lines A3 and A5, Column C, are negative, the MOE is not met based on combined state and local expenditures, and Part B must be completed.

Orchard Elementary  
Santa Clara County

Unaudited Actuals  
Special Education Maintenance of Effort  
2011-12 Budget vs. 2010-11 Actual Comparison  
LEA Maintenance of Effort Calculation (LMC-B)

43 69633 000000  
Report SEMB

SELPA: Southeast Consortium (ND)

**SECTION 2**

**Reduction to MOE Requirement Under IDEA, Section 613 (a)(2)(C) (34 CFR Sec. 300.205)**

IMPORTANT NOTE: Only LEAs that have a "meets requirement" compliance determination and that are not found significantly disproportionate for both the current year and prior year are eligible to use this option to reduce their MOE requirement.

Up to 50% of the increase in IDEA Part B Section 611 funding in current year compared with prior year may be used to reduce the required level of state and local expenditures. This option is available only if the LEA used or will use the freed up funds for activities authorized under the Elementary and Secondary Education Act of 1966. Also, the amount of Part B funds used for early intervening services will count toward the maximum amount by which the LEA may reduce its MOE requirement under this exception (P.L. 108-446).

	<u>State and Local</u>	<u>Local Only</u>
Current year funding (IDEA Section 611 Local Assistance Grant Awards - Resources 3310 and 3320)		
Less: Prior year's funding (IDEA Section 611 Local Assistance Grant Awards - Resources 3310 and 3320)		
Increase in funding (if difference is positive)	0.00	
50% of increase in funding	0.00	
Enter portion used to reduce MOE requirement (cannot exceed 50% of increase in funding less Part B funds used for early intervening services)		

**SECTION 3**

	<u>Column A</u>	<u>Column B</u>	<u>Column C</u>
	Budgeted Amounts FY 2011-12 (LB-B Worksheet)	Actual Expenditures FY 2010-11 (LE-B Worksheet)	Difference (A - B)
<b>A. COMBINED STATE AND LOCAL EXPENDITURES METHOD</b>			
1. Total special education expenditures	1,064,482.41		
2. Less: Expenditures paid from federal sources	127,391.00		
3. Expenditures paid from state and local sources	937,091.41	841,313.75	
Less: Exempt reduction(s) from SECTION 1		0.00	
Less: 50% reduction from SECTION 2		0.00	
Net expenditures paid from state and local sources	937,091.41	841,313.75	85,777.66
4. Special education unduplicated pupil count	77	77	
5. Per capita state and local expenditures (A3/A4)	12,170.02	10,926.15	1,243.87

If one or both of the differences in lines A3 and A5, Column C, are positive (current year budgeted state and local expenditures, in total or per capita, are greater than prior year's net state and local expenditures), the MOE requirement is met; Part B can still be completed.

If both lines A3 and A5, Column C, are negative, the MOE is not met based on combined state and local expenditures, and Part B must be completed.

