

(iii) The amount determined in paragraph (d)(2)(ii) of this section is then multiplied by the total ADA of the LEA's federally connected children with disabilities claimed by the LEA for that fiscal year.

(3) If the amount of section 8003(d) funds the LEA received (or was credited) for the fiscal year exceeds the amount obtained in paragraph (d)(2)(iii) of this section, an overpayment equal to the excess section 8003(d) funds is established. This overpayment may be reduced or eliminated to the extent that the LEA can demonstrate that the average per pupil expenditure for special education and related services provided to federally connected children with disabilities exceeded its average per pupil expenditure for serving non-federally connected children with disabilities.

(Approved by the Office of Management and Budget under control number 1810-0036)

(Authority: 20 U.S.C. 7703(d))

§ 222.54 What supplement-not-supplant requirement applies to this subpart?

Funds provided under section 8003(d) may not supplant any State funds that were or would have been available to the LEA for the free appropriate public education of children counted under section 8003(d).

(a) No section 8003(d) funds may be paid to an LEA whose per pupil State aid for federally connected children with disabilities, either general State aid or special education State aid, has been or would be reduced as a result of eligibility for or receipt of section 8003(d) funds, whether or not a State has a program of State aid that meets the requirements of section 8009 of the Act and subpart K of the regulations in this part.

(1) A reduction in the per pupil amount of State aid for children with disabilities, including children counted under section 8003(d), from that received in a previous year raises a presumption that supplanting has occurred.

(2) The LEA may rebut this presumption by demonstrating that the reduction was unrelated to the receipt of section 8003(d) funds.

(b) In any State in which there is only one LEA, all funds for programs for children with disabilities other than funds from Federal sources are considered by the Secretary to be local funds.

(Authority: 20 U.S.C. 7703(d))

§ 222.55 What other statutes and regulations are applicable to this subpart?

Local educational agencies receiving funds under section 8003(d) are subject to the requirements of the Individuals with Disabilities Education Act, and related regulations (20 U.S.C. 1401 *et seq.* and 34 CFR part 300).

(Authority: 20 U.S.C. 1401 *et seq.*, 6314, and 7703(d))

§§ 222.56–222.59 [Reserved]

Subpart E—Additional Assistance for Heavily Impacted Local Educational Agencies Under Section 8003(f) of the Act

§ 222.60 What are the scope and purpose of these regulations?

The regulations in this subpart implement section 8003(f) of the Act, which provides financial assistance, in addition to payments under sections 8003(b) and 8003(d) of the Act, to certain heavily impacted local educational agencies (LEAs) that meet all relevant eligibility requirements.

(Authority: 20 U.S.C. 7703(f))

§ 222.61 What data are used to determine a local educational agency's eligibility and payment under section 8003(f) of the Act?

(a) Computations and determinations made with regard to an LEA's eligibility (§§ 222.61–222.71) and payment (§§ 222.72–222.73) under section 8003(f) are based on the LEA's final student and financial data for the fiscal year for which it seeks assistance and, in certain cases, final financial data for the preceding and second preceding fiscal years of the LEAs determined under §§ 222.39–222.41 or § 222.74 to be generally comparable to the applicant LEA ("generally comparable LEAs").

§ 222.62

(b) For purposes of this subpart, *level of education* means average per pupil expenditure amount.

(Authority: 20 U.S.C. 7703(f))

§ 222.62 Which local educational agencies are eligible to apply for an additional payment under section 8003(f)?

Local educational agencies that are eligible to apply for additional assistance under section 8003(f) include those that have—

(a)(1) A tax effort equal to at least 95 percent of the average tax rate of generally comparable LEAs identified under §§ 222.39–222.41 or 222.74; and

(2)(i) Federally connected children equal to at least 50 percent of the total number of children in average daily attendance (ADA) if a section 8003(b) payment is received on behalf of children described in section 8003(a)(1)(F)–(G); or

(ii) Federally connected children equal to at least 40 percent of the total number of children in ADA if a section 8003(b) payment is not received on behalf of children described in section 8003(a)(1)(F)–(G);

(b)(1) A tax effort equal to at least 125 percent of the average tax rate of generally comparable LEAs identified under §§ 222.39–222.41; and

(2) Federally connected children equal to at least 35 percent of the total number of children in ADA;

(c) The same boundaries as those of a Federal military installation; or

(d) Current expenditures that are not reasonably comparable to those of generally comparable LEAs identified under §§ 222.39–222.41 because unusual geographical factors affect the applicant LEAs' current expenditures necessary to maintain a level of education equivalent to that of generally comparable LEAs.

(Authority: 20 U.S.C. 7703(f))

§ 222.63 What other requirements must a local educational agency meet in order to be eligible for financial assistance under section 8003(f)(2)(A)?

Subject to § 222.65, an LEA described in § 222.62(a), (b), or (c) is eligible for financial assistance under section 8003(f)(2)(A) if the Secretary determines that the LEA meets all of the following requirements:

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(a) The LEA is eligible for a basic support payment under section 8003(b).

(b) The LEA timely applies for assistance under section 8003(f) and meets all of the other application and eligibility requirements of subparts A and C of these regulations.

(c) The LEA is exercising due diligence in availing itself of revenues derived from State and other sources and, except for an LEA described in § 222.62(c), is making a reasonable tax effort in accordance with the requirements of §§ 222.66–222.71.

(d) The eligibility of the LEA for State aid and the amount of State aid are determined on a basis no less favorable than that for other LEAs in the State.

(Authority: 20 U.S.C. 7703(f))

§ 222.64 What other requirements must a local educational agency meet in order to be eligible for financial assistance under section 8003(f)(2)(B)?

Subject to § 222.65, an LEA described in § 222.62(d) is eligible for financial assistance under section 8003(f)(2)(B) if the Secretary determines that the LEA meets all of the following requirements—

(a) The LEA complies with the requirements of § 222.63(a)–(d).

(b)(1) As part of its section 8003(f) application, the LEA provides the Secretary with documentation that demonstrates that the LEA is unable to provide a level of education equivalent to that provided by its generally comparable LEAs because—

(i) The applicant's current expenditures are affected by unusual geographical factors; and

(ii) As a result, those current expenditures are not reasonably comparable to the current expenditures of its generally comparable LEAs.

(2) The LEA's application must include—

(i) A specific description of the unusual geographical factors on which the applicant is basing its request for compensation under this section and objective data demonstrating that the applicant is more severely affected by these factors than any other LEA in its State;