

Exemption from the Required Expenditures for Classroom Teachers' Salaries (Education Code Section 41372)

Education Code 41372 was amended to transfer the responsibility of administering the requirement of ensuring that the amount of expenditures for classroom teachers' salaries was sufficient from the Superintendent of Public Instruction onto County Offices of Education as of September 30, 2002, beginning with the 2002-03 fiscal year.

The legal requirement is that each school district spends a minimum percentage of their adjusted general fund expenditures on classroom teacher salaries and benefits (including instructional aides). This amount is reported to the State each year within the district's Unaudited Actuals, on the Form CEA. The minimum percentages are based on district type as follows:

- 60% for elementary school districts
- 50% for high school districts
- 55% for unified school districts

Each fiscal year, you should review your Form CEA to determine if the required expenditure level has been met. If the requirement has not been met, you can file an application for exemption from the requirement if spending the minimum would result in a serious financial hardship to the district or if the district's paid classroom teacher salaries exceed those paid by other similar districts. The application must be filed with the County Office of Education on or before September 15, and must be approved by the district's governing board. Upon receipt of the exemption request, the county superintendent of schools must grant or deny the request for exemption. If an exemption is not granted, in accordance with Education Code Section 41372, the county superintendent of schools is required to order the deficiency amount designated and deposited into the county treasury for that district and to be unavailable to the district for expenditure. The county superintendent shall order the designated amount, or amount not exempted, to be added to the amounts to be expended for salaries of classroom teachers during the next fiscal year.

The expenditure requirements and application process do not apply to any district which, during the preceding fiscal year, had less than 101 units of average daily attendance. Education Code Section 41374 also makes the expenditure requirement inapplicable to any district that had no class sessions with pupils in attendance exceeding the following counts:

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| • Elementary School District | 28 Pupils |
| • High School District | 25 Pupils |
| • Unified School District | 28 Pupils Grades K-8
25 Pupils Grades 9-12 |

An individual class session does not include K-8 courses in art, instrumental and vocal music, industrial arts, and physical education. It does not include Grades 9-12 courses in commercial arts, instrumental and vocal arts, physical education and two or more individual class groups that are assembled together in the same room for joint lectures or demonstration.

If you have any questions, please call Business Advisory Services.