

# Excess Cost 101

## **FY24 SELDA Department of Special Education Services and Supports**

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# Learning Targets



Become familiar with IDEA supplanting tests



Understand Excess Cost requirement



Develop a general understanding of the Excess Cost calculation

# Excess Cost Definition

Excess costs are those costs for the education of an elementary or secondary school student with a disability that is more than the average annual per pupil expenditure (APPE) in an LEA.

An LEA must spend at least APPE on the education of a child with a disability before funds under IDEA, Part B are used to pay the excess costs of providing special education and related services.

# Excess Cost Calculation Submission Deadline



January 31<sup>st</sup>

## Federal Requirement to Supplement, Not Supplant

34 CFR §300.202 Use of amounts explains the appropriate use of IDEA, Part B funds for students with disabilities.

It states:

- (a) General. Amounts provided to the LEA under Part B of the Act—
  - (1) Must be expended in accordance with the applicable provisions of this part;
  - (2) Must be used only to pay the excess costs of providing special education and related services to children with disabilities, consistent with paragraph (b) of this section; and
  - (3) Must be used to **supplement** State, local, and other Federal funds **and not to supplant** those funds.

# Federal Requirement to Supplement, Not Supplant

**In other words:**

Local education agencies (LEAs) may not use IDEA, Part B funds as the **primary source** for educating students with disabilities.



# Supplanting Tests for IDEA

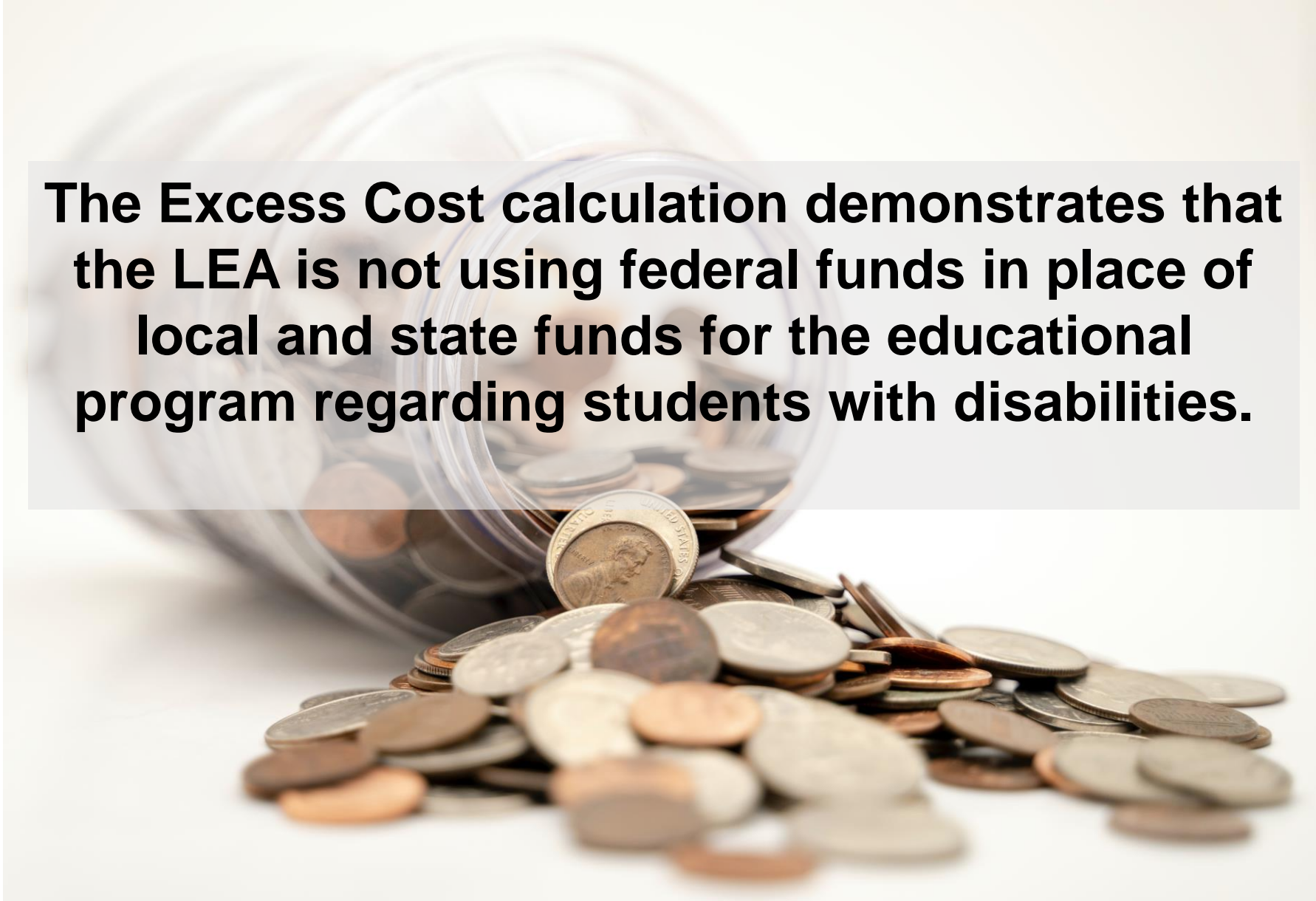
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- Maintenance of Effort (MOE)

2

- Excess Cost

**The Excess Cost calculation demonstrates that the LEA is not using federal funds in place of local and state funds for the educational program regarding students with disabilities.**



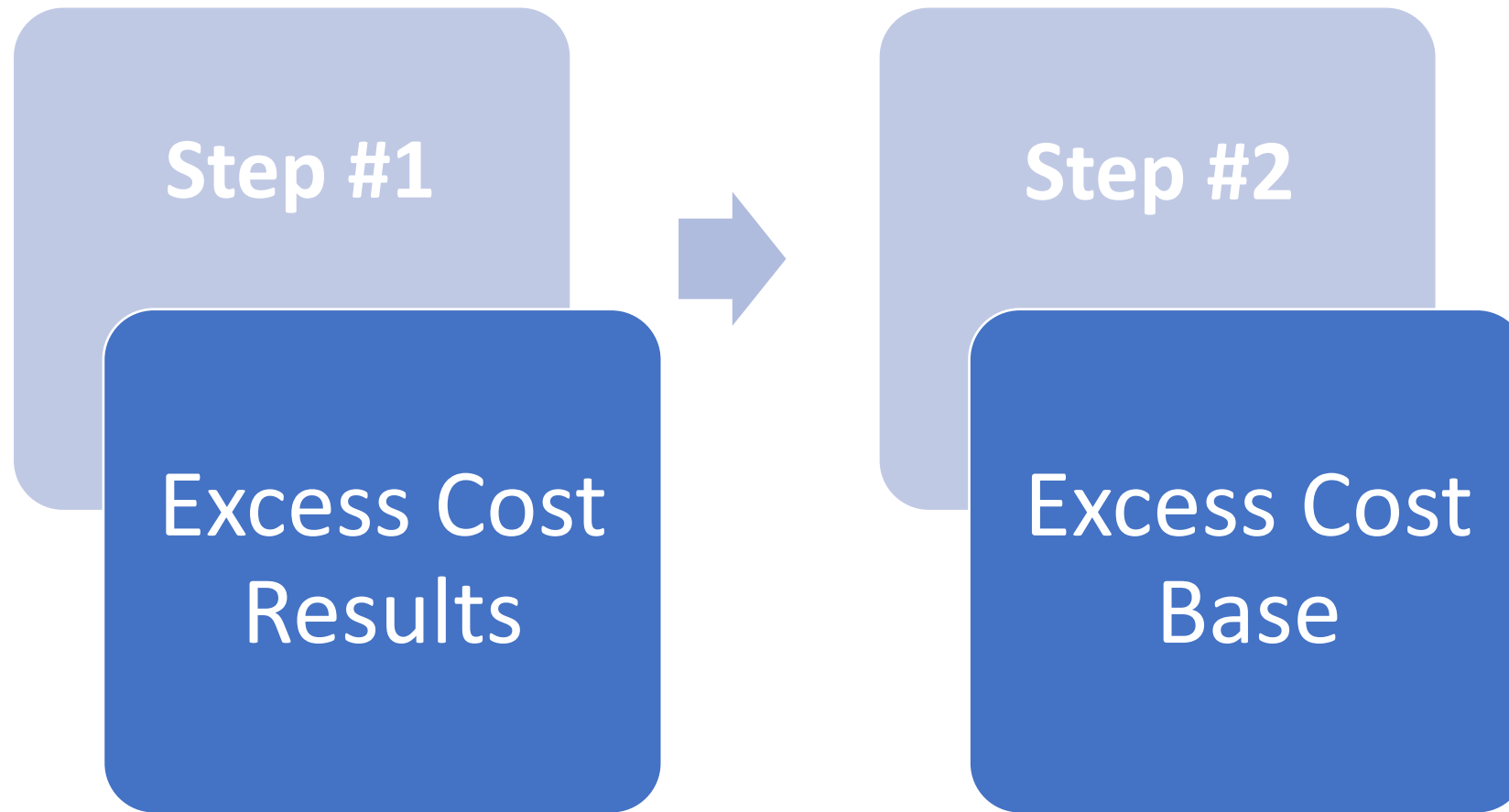


# Excess Cost Calculation

- Each LEA must complete the Excess Cost Calculation in the Consolidated Application (Con App), Special Ed Excess Cost portal, annually.
- Each LEA must spend the minimum average amount per student by the end of the fiscal year to meet compliance. Failure to meet excess cost requirements could result in the State recovering funds from the LEA.
- This is one way the Georgia Department of Education (GaDOE) monitors for supplanting of IDEA funds.

# Excess Cost Calculation

## Two-Step Process

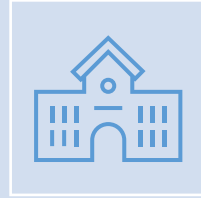


# Excess Cost Results Versus Base

Excess Cost Results	Excess Cost Base
Calculated after expenditures have been processed	Completed after the Excess Cost Results is approved by GaDOE Special Education Budget unit
Calculation shows the LEA <b>expended</b> the <b>minimum average amount</b> separately for elementary children with disabilities and for secondary children with disabilities before IDEA funds were used.	Calculation shows the LEA <b>projects to expend</b> the <b>minimum average amount</b> separately for elementary children with disabilities and for secondary children with disabilities before IDEA funds are used.

Note: The Office of Special Education Programs (OSEP) has clarified that, if the non-IDEA funds are expended by the end of the fiscal year, IDEA funds may be expended concurrently.

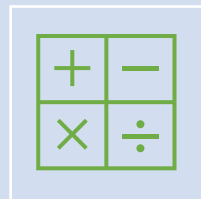
# Excess Cost Calculation Overview



The LEA must first determine elementary and secondary expenditures separately.

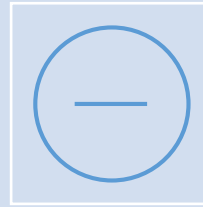


Central Office costs must be attributed to elementary and secondary costs.

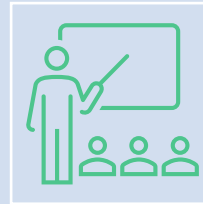


Then the LEA must subtract the amount of capital outlay and debt expenditures.

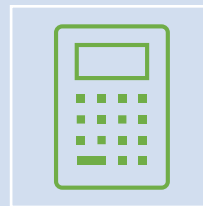
# Excess Cost Calculation Overview (cont.)



The LEA must subtract amounts spent from other Federal, State and local funds.

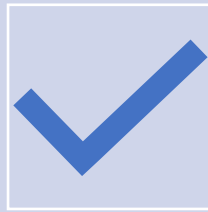


The LEA must determine the APPE for elementary and secondary school students. This number includes all students with disabilities.



The LEA must determine the total minimum amount of funds that must be spent for the education of its elementary and secondary school students with disabilities.

# Excess Cost Calculation Overview (cont.)



The LEA adds the state and local expenditures for special education to determine if it met or did not meet the Excess Cost requirement.

# Excess Cost Calculation Overview (cont.)

- Once the Excess Cost Results are approved by GaDOE, the LEA completes and submits the Excess Cost Base.
- The Excess Cost Base provides the LEA with a projected calculation to determine if the Excess Cost requirement will be met at the end of the current fiscal year.

# Simple Calculation

	Elementary	Secondary
Total State and Local Funds:	\$3,000	\$2,000
Total Enrollment:	25	20
<b>Average Annual Per Pupil:</b> <b>(Total Funds divided by Total Enrollment)</b>	\$120	\$100
Students with Disabilities Count:	12	10
<b>Minimum Target:</b> <b>(Avg Annual Per Pupil x Students with Disabilities Count)</b>	\$1,440	\$1,000
School Level Special Education Expenditures:	\$1,000	\$800
Other Special Education:	\$500	\$300
<b>Total Special Education Expenditures: (School Level Special Education + Other Special Education Expenditures)</b>	\$1,500	\$1,100
<b>Less Minimum Target:</b>	\$60	\$100
<b>Met or DNM?</b>	Met	Met



# Let's Practice

## Directions:

- Complete the empty red boxes.
- Determine if the LEA meets or does not meet (DNM) for elementary and secondary.
- Does the LEA meet overall? \_\_\_\_\_

	Elementary	Secondary
Total State and Local Funds:	\$1,000	\$2,000
Total Enrollment:	10	20
<b>Average Annual Per Pupil:</b> (Total Funds divided by Total Enrollment)	<input type="text"/>	<input type="text"/>
Students with Disabilities Count:	5	10
<b>Minimum Target:</b> (Avg Annual Per Pupil x Students with Disabilities Count)	<input type="text"/>	<input type="text"/>
School Level Special Education Expenditures:	\$1,000	\$600
Other Special Education:	\$500	\$300
<b>Total Special Education Expenditures:</b> (School Level Special Education + Other Special Education Expenditures)	<input type="text"/>	<input type="text"/>
<b>Less Minimum Target:</b>	<input type="text"/>	<input type="text"/>
<b>Met or DNM?</b>	?	?

# Let's Practice

## Directions:

	Elementary	Secondary
Total:	\$1,000	\$2,000
Total Enrollment:	10	20
<b>Average Annual Per Pupil: (Total Funds divided by Total Enrollment)</b>	\$100	\$100
Students with Disabilities Count:	5	10
<b>Minimum Target: (Avg Annual Per Pupil x Students with Disabilities Count)</b>	\$500	\$1,000
School Level Special Education Expenditures:	\$1,000	\$600
Other Special Education:	\$500	\$300
<b>Total Special Education Expenditures: (School Level Special Education + Other Special Education Expenditures)</b>	\$1,500	\$900
<b>Less Minimum Target:</b>	\$1,000	-\$100
<b>Met or DNM?</b>	Met	DNM

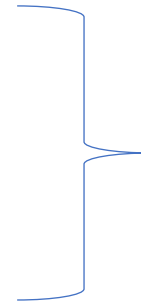
- Complete the empty red boxes.
- Determine if the LEA meets or does not meet for elementary and secondary.
- Does the LEA meet overall?  
No

# Excess Cost Portal Tabs

## Two-Step Process

- Excess Cost Result Tab

- School
- District
- Calculations
- Audit Trail



**Sub-tabs for Results**

- Excess Cost Base Tab

- Calculations
- Audit Trail



**Sub-tabs for Base**

# Excess Cost Navigation

The screenshot shows the MyGaDOE portal interface. At the top, there is a search bar for districts and a navigation menu with letters A-Z. Below this is a green banner with the text "Welcome to MyGaDOE" and links for "Help Desk Portal" and "Online Documentation". A notification bar indicates "You have (9284) new messages." The main content area is divided into several sections:

- Site Navigation:** Home, Logout.
- Exceptional Students:** SLDS Support, Consolidated Application, Data Collection, View Documents, GAORS, Invoice Application, GDOE User Admin, Monitoring, Message Center, Grants Application, EOPA Reports, COPS Planning.
- Surveys:** A table with columns: New (0), Saved (0), Submitted (10), Approved (10), Reports. Below the table, it says "No new surveys available" and a "More" link.
- My Favorites:** Online Web Resources, More.
- Preschool Assessment:** Manage Entrance/Exit data, Administration, GTID Search.
- Focused Monitoring:** 2010 records (Manage).

The "Special Education Programs" menu item is expanded, showing a sub-menu with the following items: Administration, Title Programs, Special Education, Special Ed Excess Cost (highlighted with a red box and a red arrow), Special Ed MOE, CTAE Programs, Reports, Manage Public Schools, and Online Help.

# Excess Cost Form Selection

Special Education Excess Cost Expenditures

Fiscal Year: 2023 ▼ District Name: Select District ▼

Excess Cost Result Excess Cost Base

School District Calculations Audit Trail

## Note:

- The finance person generally completes the financial portion of the calculation.
- The special education director generally provides the enrollment information.

# Excess Cost Result Tab

Special Education Excess Cost Expenditures

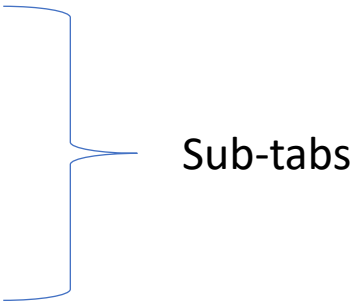
Fiscal Year: 2023      District Name: Select District

Excess Cost Result    Excess Cost Base

School    District    Calculations    Audit Trail

## Excess Cost Result Tab

- School
- District
- Calculations
- Audit Trail



# Excess Cost Base Tab

Special Education Excess Cost Expenditures

Fiscal Year:

2023

District Name:

Select District

Excess Cost Result

Excess Cost Base

Calculations

Audit Trail

## Excess Cost Base Tab

- Calculations
- Audit Trail

Sub-tabs



# Submission Process

## Order of Signoff

1. Coordinator
2. Superintendent
3. Program Manager

Audit Trail				
Audit Trail				
Old Status	New Status	Comments	Changed By	Changed Date

### Note:

- All should receive automated email notifications from the portal.
- The Audit Trail provides status information and comments.



# What to Expect

- LEAs will access resources and enter expenditures in the FY2023 Excess Cost portal.
- This is a two-step process: Results and Base
- Student count information must be entered in the Results and Base tabs.
- All FY23 expenditures should be entered into the Results tab first and then signed off.
- The Base tab will automatically populate the “[Prior Year Average Annual School Level Per Student Expenditure](#)” from the Results tab **after** GaDOE approves the Results tab.
- The Excess Cost Calculation deadline is January 31, 2024. [Note: LEAs must submit both the Excess Cost Results and Base calculations by the deadline.](#)

# Excess Cost Verification

- The Special Education Budget Unit will review the Excess Cost Calculations submitted annually.
- LEAs must keep supporting evidence on file for expenditures entered.
- The Excess Cost Calculation is a monitoring indicator and will be reviewed during Cross Functional Monitoring.
  - Note: GaDOE reserves the right to verify the reporting of Excess Costs at any time needed for evidence of free appropriate public education (FAPE), and subsequently to award IDEA funds.

# Excess Cost

## Tips for Submission



Enter **School** tab first under Excess Cost Result



Make sure **all** cells have data. Input zeroes (0) if no data is applicable.



Make sure to enter the student enrollment counts on the **School** tab



Save early, save often. The portal times out every 15 minutes.



Review available tools and resources

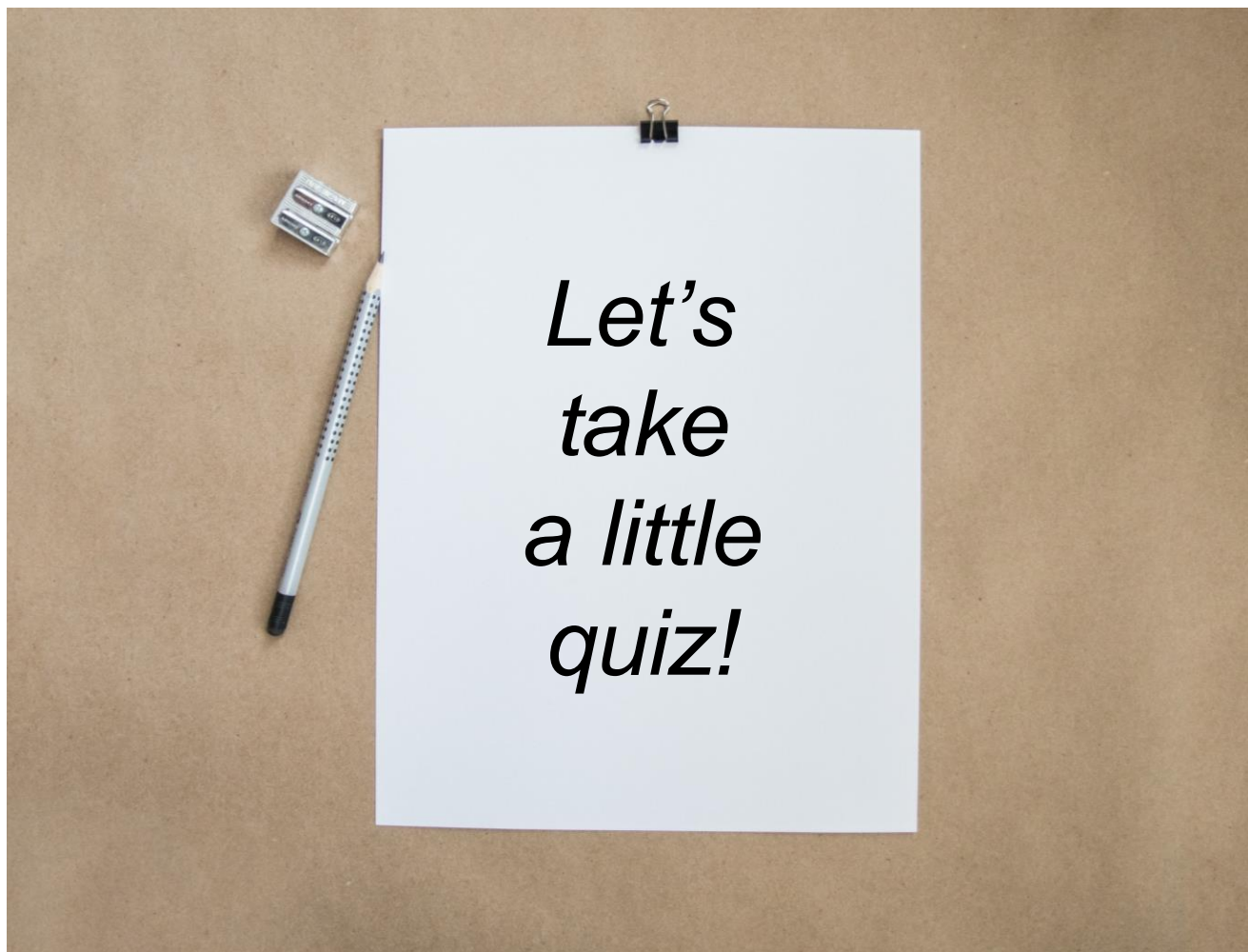


Students with disabilities count is on the FTE report FT017 (October)

# Documents Needed for the Excess Cost Calculation

- DE046 Financial Analysis Report – actual report
- October FTE reports
  - FT002 – Student Enrollment by Grade Level
  - FT017 – Special Education Child Count
- School-level state and local amounts expended for special education.
- Other state and local expenditures expended for special education.

# Test Your Knowledge



1) What is supplanting?

a. It is a budgeting tool.

b. Replacing state and local funds with federal funds

c. Both A and B

2) What are the IDEA supplanting test(s)?

a. Excess Cost

b. MOE

c. Both A and B

3) What is the method for calculating whether an LEA has met the Excess Cost requirement?

- a. By expending the minimum average in non-IDEA funds on the education of students with disabilities
- b. By actually expending at least as much as the LEA expended in the previous year (comparison year)
- c. By actually expending less in state expenditures than the LEA expended in previous year (comparison year)



4) If an LEA does not meet Excess Cost, what must it do?

- a. Submit documentation for a waiver of the Excess Cost requirement
- b. Submit a request for exceptions and/or adjustments
- c. LEA must meet or repay funds

# Resources

## Budget, Grants and Consolidated Application

### FY 2024 Allocations

- FY 2024 Initial Allocations
- FY 2023 Final Allocations
- FY 2023 Initial Allocations
- Indirect Costs Calculator
- Budget Pages
- IDEA Allowable Expenditures

### FY 2024 Consolidated Application

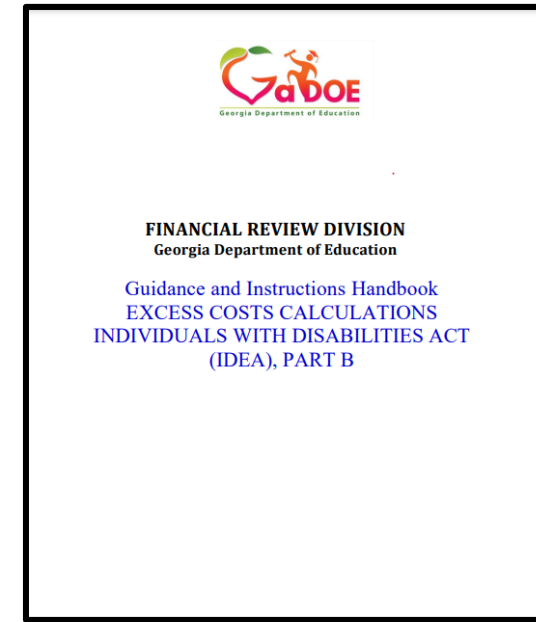
- IDEA Budget Submission Checklist
- Forms

### Maintenance of Effort

- FY24 MOE Eligibility Worksheet
- Exceptions to MOE Compliance Requirement Form
- MOE Adjustment Form
- FY24 New Charter MOE Requirement Form

### LEA Excess Cost Calculation

- Excess Cost Excel Template
- IDEA Excess Cost Handbook



IDEA Excess Cost Handbook

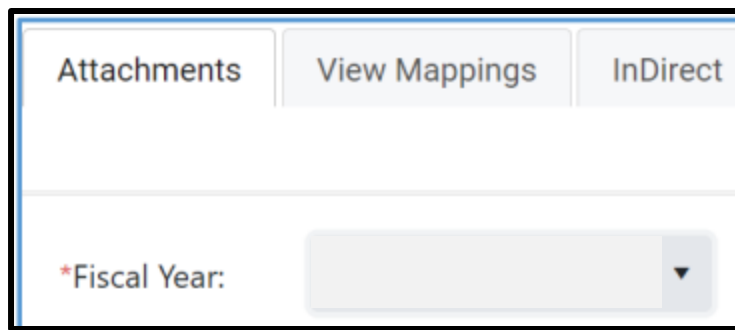
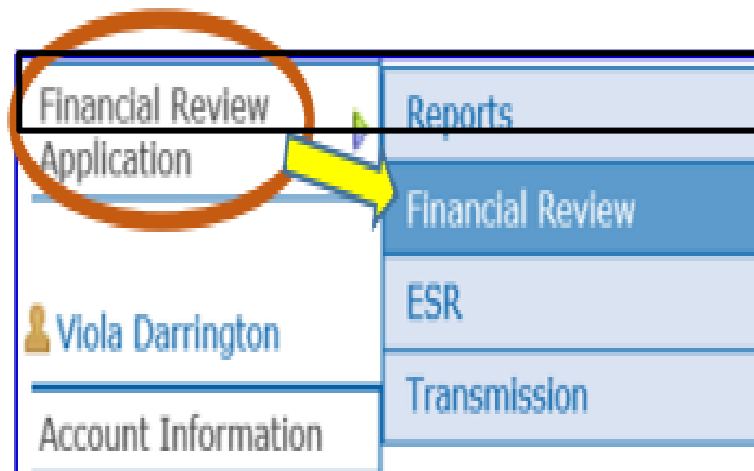
EXHIBIT 5A		EXHIBIT 5E	
Total District (Centralized) Expenditures		Total Excess Cost	
State General Fund	1000000	Total Excess Cost	1000000
Local Governmental Funds	500000	Total Excess Cost (Net of State and Local Expenditures)	500000
Federal Funds	200000	Total Excess Cost (Net of State and Local Expenditures and Federal Funds)	300000
Total District (Centralized) Expenditures: 1,700,000		Total Excess Cost: 1,000,000	

Excess Cost Excel Template

Resources available on the [Budget, Grants and Consolidated Application webpage](#).

# Resources

## GaDOE Financial Review Division



- Excess Cost Data File by District
  - Extraction from the DE046 actual financials that were submitted for FY 2023
  - The finance person has access to the data file.
  - Financial Review will send a notification when it is available.



Questions?

# Contact Us *We're Here to Help!*

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GEORGIA'S FUTURE**

