SELDA

Understanding Excess Cost

Department of Special Education
Services and Supports

Malissa Roberts, Program Specialist
Georgia’s Systems of Continuous Improvement

GaDOE has adopted the Georgia Systems of Continuous Improvement as a methodology for supporting districts and schools. This methodology focuses on improving districts/schools’ systems.
Learning Targets

Understand Excess Cost requirements

Have a general understanding of the Excess Cost calculation
Let’s take a little quiz!
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) How is Excess Cost determined?

   a. By ensuring the average per pupil expenditure for students with disabilities is in excess of the average per pupil expenditure for all students

   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 a district does not meet Excess Cost, what must they do?
   a. Submit documentation for a waiver of the Excess Cost requirement
   b. Submit a request for exceptions and/or adjustments
   c. District’s must meet or repay funds
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:

LEAs may not use IDEA, Part B funds as the primary source for educating students with disabilities.
**IDEA MOE**

- Compares year to year state and local expenditures.

**Excess Cost**

- Compares the average per pupil expenditure (APPE) of special education students to the APPE of all students.
Excess Cost

An LEA must ensure that IDEA Part B funds are used only for expenses above and beyond what is spent on average on an elementary or secondary student.
Determining Excess Costs

- When determining whether a cost is an excess cost, ask the following guiding questions:
  - *In the absence of special education needs, would this cost exist?*
  - *Is this cost also generated by students without disabilities?*
  - *If it is a child specific service, is the service documented in the student’s IEP?*
Excess Cost Definition

(IDEA funds) must be used only to pay the excess costs of providing special education and related services for children with disabilities.

Must be used to supplement state, local, and other Federal funds and not to supplant those funds.
Excess Cost Calculation

- Excess costs are those costs for the education of an elementary school or secondary school student with a disability that are in excess of the average annual per student expenditure in an LEA during the preceding school year for an elementary school or secondary school student, as may be appropriate.

- An LEA must spend at least the average annual per student expenditure on the education of an elementary school or secondary school child with a disability before funds under Part B of the Act are used to pay the excess costs of providing special education and related services.
Excess Cost Due Date

• January 31st
To accurately determine that an LEA is spending the average annual per pupil expenditure (APPE), we must obtain an annual count from the local level.

- The LEA must first determine elementary and secondary expenditures separately.

- Central Office costs must be attributed to elementary and secondary costs – this is not something we can do.
Excess Cost Calculation Overview

• Then the LEA must subtract the amount of capital outlay and debt expenditures.
• The LEA must subtract from the total expenditures, the amount spent in the preceding year.
• Special education costs should be added to determine if the LEA met or did not meet.
• Once Results have been established the LEA should submit and complete the student enrollment information for the Base Tab to complete the projections for the next fiscal year.
• Is there a supplanting concern? This calculation will help determine that along with Maintenance of Effort.
## Simple Calculation

<table>
<thead>
<tr>
<th></th>
<th>Elementary</th>
<th>Secondary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total:</td>
<td>$3,000</td>
<td>$2,000</td>
</tr>
<tr>
<td>Total Enrollment:</td>
<td>25</td>
<td>20</td>
</tr>
<tr>
<td>Average Annual Per Pupil:</td>
<td>$120</td>
<td>$100</td>
</tr>
<tr>
<td>Students with Disabilities Count:</td>
<td>12</td>
<td>10</td>
</tr>
<tr>
<td>Minimum Target:</td>
<td>$1,440</td>
<td>$1,000</td>
</tr>
<tr>
<td>School Level Special Education Expenditures:</td>
<td>$1,000</td>
<td>$800</td>
</tr>
<tr>
<td>Other Special Education:</td>
<td>$500</td>
<td>$300</td>
</tr>
<tr>
<td>Total Special Education Expenditures:</td>
<td>$1,500</td>
<td>$1,100</td>
</tr>
<tr>
<td>Less Minimum Target:</td>
<td>$60</td>
<td>$100</td>
</tr>
<tr>
<td>Met or DNM?</td>
<td>Met</td>
<td>Met</td>
</tr>
</tbody>
</table>
## Let’s Practice

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<tr>
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<tbody>
<tr>
<td><strong>Total:</strong></td>
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<td>10</td>
<td>20</td>
</tr>
<tr>
<td><strong>Average Annual Per Pupil:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Students with Disabilities Count:</strong></td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td><strong>Minimum Target:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>School Level Special Education Expenditures:</strong></td>
<td>$1,000</td>
<td>$600</td>
</tr>
<tr>
<td><strong>Other Special Education:</strong></td>
<td>$500</td>
<td>$300</td>
</tr>
<tr>
<td><strong>Total Special Education Expenditures:</strong></td>
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<td></td>
</tr>
<tr>
<td><strong>Met or DNM?</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
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### Directions:

- Complete the empty red boxes.
- Determine if the LEA meets or does not meet (DNM) for elementary and secondary.
- Does the district meet overall? _______
## Let’s Practice

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<td>10</td>
<td>20</td>
</tr>
<tr>
<td>Average Annual Per Pupil:</td>
<td>$100</td>
<td>$100</td>
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<td>5</td>
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<td>$300</td>
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<tr>
<td>Total Special Education Expenditures:</td>
<td>$1,500</td>
<td>$900</td>
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<tr>
<td>Less Minimum Target:</td>
<td>$1,000</td>
<td>-$100</td>
</tr>
<tr>
<td>Met or DNM?</td>
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<td>DNM</td>
</tr>
</tbody>
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### Directions:

- Complete the empty red boxes.
- Determine if the LEA meets or does not meet for elementary and secondary.
- Does the district meet overall? NO
Two Step Process:

- Excess Cost Result
  - District
  - School
  - Calculations
  - Audit Trail
- Excess Cost Base
  - District
  - School
  - Calculations
  - Audit Trail
Accessing Excess Cost Portal

Click Consolidated Application

Scroll to Special Education Excess Cost
Your finance director is responsible for completing the financial portion of the calculation. They will need enrollment information from the Special Education Director.
What to Expect

- LEAs will access resources and enter expenditures
- This is a two step process: Results and Base
- All FY19 expenditures should be entered into the Results tab first and then sign off.
- The Base tab will automatically populate for all expenditures. However, the FY20 Student Counts should be entered on the Calculations tab then signed off.
- The Excess Cost Calculation is due January 31st
Tools Available to Assist

Financial Review Division
IDEA Excess Cost Calculations Guidance and Instructions

RESOURCES FOR COMPLETING THE EXCESS COST CALCULATION:

The Financial Review Division, and the Division for Special Education Services and Supports provide several resources to assist LUAs with the calculation and submission of the Excess Cost report. Below are the resources and tools available for the calculations:

- **Excess Cost Webinar** *(Details the changes and updates for FY 18).*
  http://www.gadoe.org/Curriculum-Instruction-and-Assessment/Special-Education-Services/Pages/Budget-and-Grant-Applications.aspx

- **Excess Cost Template** *(Excel version of the GADOE portal for tabulation purposes, if desired).* Emailed to districts on 10/12/2018 from Amy Rowell and included on GADOE Special Education Services website.

- **Excess Cost Data File by District** *(FY18 DE046 Expenditure Data in total, and by funds needed for the calculation).*
  *Please see the GaDOE Portal sign-on instructions on the following page to access the Data File by District.

- **Excess Cost Handbook** *(Detailed step-by-step instructions on the completion process).*
Excess Cost Handbook

FINANCIAL REVIEW DIVISION
Georgia Department of Education

Guidance and Instructions Handbook
EXCESS COSTS CALCULATIONS
INDIVIDUALS WITH DISABILITIES ACT
(IDEA), PART B
Documents Needed

Financial Review Division
IDEA Excess Cost Calculations Guidance and Instructions

This entry is explained in more detail on page 17 in this guidance and instructions handbook.

DOCUMENTS NEEDED FOR THE EXCESS COST CALCULATION:

The following documents are needed prior to completing the report:

1. DE046 Financial Analysis Report - Actual. *(The majority of the IDEA excess cost calculation is based on the data transmitted on the DE046 actual report.)*

2. FTE reports:
   - FT002 - Student Enrollment by Grade Level
   - FT017 - Special Education Child Count

3. School-Level State and Local Amounts Expended for Special Education

4. Other State and Local Expenditures Expended for Special Education

Special Education Director Provides
Most of the Work is done!

Your Financial Director has access to this excel workbook. They should start here.

A notification from Financial Review will be sent when it is available.
Resources

Specific Learning Disability
Speech Language Impairment
Traumatic Brain Injury
Visual Impairment & Blindness

Budgets, Grants, Data Collection and Reporting
Budget & Grant Applications
LEA Consolidated Application
Data Collection Conference
Annual Reports
State Performance Plan (SPP), Annual Performance Report (APR) and Annual Determinations

Continuous Improvement
Georgia’s Continuous Improvement Monitoring Process (GCIMP)
Disproportionality
Strategic Plan and Federal Indicators
Approved Private Schools

Dispute Resolution
Overview
Formal Complaints
Mediation

Maintenance of Effort
- 2018 MOE Eligibility Worksheet
- LEA Maintenance of Effort Training Webinar
  - LEA Maintenance of Effort Training PowerPoint
- FY14 MOE Audit or Compliance Correction Worksheet
- FY15 MOE Audit or Compliance Correction Worksheet
- Exceptions to MOE Compliance Requirement Form
- MOE Adjustment Form
- New Charter MOE Requirement Form

LEA Excess Cost Calculation
- LEA Excess Cost Calculation Webinar
- LEA Excess Cost Calculation Webinar Presentation
- LEA Excess Costs Excel Template
- IDEA Excess Cost Handbook

Resources for Guidance
- FY 17 IDEA Supplanting Tests
- FY 17 IDEA Year In Perspective
- Cross-Functional Monitoring Webinar
  - Cross-Functional Monitoring Webinar PowerPoint
- Propositionate Share Process PowerPoint
- Time and Effort Reporting PowerPoint
- Financial Management Complaints
- Equitable Services for Private and Home School Students Webinar
Tips for Submission

Enter School Level Expenditures first since that drives the District Level Expenditures

Make sure all cells have data

Make sure to enter the student enrollment counts

The portal times out every 15 minutes, so save often

Review tools posted

SWD count is the FT017 report
Meeting Excess Cost

- The Special Education Budget Unit will review annually the Excess Cost Calculations entered.
- All LEA’s must keep supporting evidence on file for expenditures entered.
- The Excess Cost Calculation will be a monitoring indicator and will be reviewed during Cross Functional Monitoring visits.
Test Your Knowledge - True or False

• LEA’s must input Base Projections and Results into the portal annually.
• You do not need to keep evidence of Excess Cost Expenditures since the GaDOE portal is secure and the expenditures have been signed off and approved.
• You must enter student count information in the results and base tabs.
• Excess cost data submitted in January will be housed in the FY19 tab.
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Budget Liaison Map

Division for Special Education Services and Supports
FY 2019 Budget Liaison Map.
Questions?
Contact Us
We’re Here to Help!

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