

# Appendix M

## Excess Costs Calculation

IDEA regulations require that recipients of those funds, as a condition of assistance, must comply to the Excess Costs requirement.

The Excess Costs test requires a district to spend, on a per pupil basis, at least as much in the current year on a child with disabilities, as it spend in the prior year on non-disabled children.

Starting with 2010-11 and up to 2013-14, annually districts will have to perform this test as part of the Unaudited Actuals and submit it to the SELPA office on or before September 15.

From 2014-15 and beyond, SELPA will consolidate all districts reports and submit it to CDE.

SELPA  
LEA  
Excess Cost Calculation

The excess cost calculation determines what excess costs are; maintenance of effort (MOE) demonstrates that the LEA has not supplanted local funds with IDEA funds to pay those excess costs.

Except as otherwise provided, amounts provided to an LEA under Part B of the Act may be used only to pay the excess costs of providing special education and related services to children with disabilities. 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 20xx-xx school year for an elementary school or secondary school student, as may be appropriate. Per 34 CFR Section 300.202(b)(2)(i), an LEA meets the excess cost requirement if it has spent at least a minimum average amount for the education of children with disabilities, before using Part B funds.

Section 602(b) of the Act and § 300.16 require the LEA to compute the minimum average amount separately for children with disabilities in its elementary schools and for children with disabilities in its secondary schools. Calculations must be made separately for elementary schools and secondary schools in an LEA. LEAs may not compute the minimum average amount if it must spend on the education of children with disabilities based on a combination of the enrollments in its elementary schools and secondary schools.

The example below shows how to compute the minimum average amount an LEA must spend for the education of each of its elementary and secondary school children with disabilities under section 602(3) of the Act before it may use funds under Part B of the Act.

There are no federal rules on how to break out elementary from high school for a unified district. It has been suggested that LEAs can use a variety of approaches. One approach is to split based on certificated full time equivalent (FTE). To do this, the LEA should count the number of certificated FTE in Elementary and the number of certificated FTE in Secondary and pro-rate expenditures proportionately. If the FTE serves in a distinct-wide capacity, pro-rate them in a reasonable manner. District should maintain documentation to support the method chosen for this local definition.

For the year ending June 30, 20xx, LEAs must submit the Excess Cost Calculation Excel Workbook to their Special Education Local Plan Area (SELPA) with the signature of the Special Education Director and the Chief Business Officer, or their designees, on or before September 15, 20xx. SELPAs must submit these reports electronically to the California Department of Education prior to November 15, 20xx. The email for submission of electronic copies of the Excess Cost Calculation Excel Workbook is [specialprogrpts@cde.ca.gov](mailto:specialprogrpts@cde.ca.gov). Also, the CDE requests that the SELPAs provide the SELPA name in the subject line of the email.

ALL DATA IS FOR PY 20xx-xx EXCEPT ITEMS 18 and 21 WHICH ARE CY 20xx-xx

	TOTAL EXPENDITURES	% ELEMENTARY	% SECONDARY
Local Definition			

Enter certificated staff FTE %s

Section a. First, the LEA must determine the total amount of its expenditures for elementary and secondary students only from all OPERATING funds—local, State, and Federal (including Part B)—in PY 20xx-xx. (Use FUNDS 01-09, 13, and 61-62 ONLY)

Item 1	State and Local Expenditures - FD 01-09, 13, 61, 62; RS 0000-2999 and 6000-9999 Objects 1000-7999	\$	-	\$	-
Item 2	Federal Expenditures - FD 01-09, 13, 61, 62; RS 3000-5999 (excluding preschool Resources 3315, 3320, 3312, 3318, 3332, 3355 & state portion of 3385) Objects 1000-7999	\$	-	\$	-
Item 3	Total Expenditures	\$	-	\$	-

Section b. Next, the LEA must subtract from the total expenditures calculated in section a. above all amounts spent in PY 20xx-xx for the following resources (these are considered supplemental expenditures). These are actual expenditures only. (Use FUNDS 01-09, 13, and 61-62 ONLY)

Item 4	Total Expenditures	\$	-	\$	-
Item 5	IDEA, Part B allocation - RS 3310, 3311, 3327, 3386 Objects 1000-7999	\$	-	\$	-
Item 6	ESEA, Title I, Part A allocation - RS 3010,3011, 3012, 3013, 3175-3178, 3185 Objects 1000-7999	\$	-	\$	-
Item 7	ESEA, Title III, Parts A & B allocation - RS 4201-4204 Objects 1000-7999	\$	-	\$	-
Item 8	State & local funds spent for children with disabilities - Report Goal 5xxx (excluding 5710 & 5730 preschool and infants) and for Resources listed above in Item 1 (Objects 1000-7999)	\$	-	\$	-
Item 9	State & local funds spent for ESEA, Title I, Part A & Title III, Parts A & B - Report Object 8980 state and local general fund contributions from unrestricted revenues for the above programs (Items 5-7). If none, enter "0".	\$	-	\$	-
Item 10	Total Expenditures less supplemental expenditures	\$	-	\$	-

Section c. Next, deduct capital outlay and debt service for resources not listed in section b. above. (FUNDS 01-09, 13, 61-62 ONLY)

Item 11	Total Expenditures less supplemental expenditures	\$	-	\$	-
Item 12	Capital Outlay and Debt - OBJ 6xxx, &/or OBJ 7438, &/or OBJ 7439, &/or FUNCTION 8500	\$	-	\$	-
Item 13	Total Expenditures less Capital Outlay & Debt	\$	-	\$	-

Section d. Next, the LEA must determine the average annual per student expenditure dividing the average number of students enrolled in the school of the agency during 2014-15 (including its children with disabilities) into the amount computed under the above paragraph. The amount obtained through this computation is the minimum amount the LEA must spend (on the average) for the education of each of its children with disabilities "before" Part B funds may be used.

Item 14	Total amount for average calculation	\$	-	\$	-
Item 15	Number of students enrolled in PY 20xx-xx school year - CBEDS, ALL students (General Ed and Special Ed )	\$	-	\$	-
Item 16	Average annual expenditure per student	\$	-	\$	-

Section e. Next, to determine the total minimum amount of funds the LEA must spend for the education of its children with disabilities in the LEA (not including capital outlay and debt service), the LEA must multiply the number of children with disabilities in the LEA during PY 20xx-xx times the average annual per student expenditure obtained in section d. above. Funds under Part B of the Act can only be used for excess costs over and above this minimum.

NOTE: Item 17 below requires the LEA to calculate the amount of time each student is actually in special ed classes. CASEMIS data specifies the percentage of time that each student is in General Education. Use this information for each special ed student to get a FTE on each. See attached worksheet for calculation instructions.

Excess Cost Calculation

Item 17	Average annual expenditure per student	\$	-	\$	-	\$	-
Item 18	Number of full-time special ed student equivalents (FTE of time spent in special ed classes; excluding 5710 & 5730, preschool and Infants)		0.00		0.00		0.00
Item 19	TOTAL MINIMUM AMOUNT THAT MUST BE SPENT BEFORE USING PART B FUNDS (Excess Cost)	\$	-	\$	-	\$	-
Item 20	TOTAL MINIMUM AMOUNT THAT MUST BE SPENT BEFORE USING PART B FUNDS (Excess Cost)	\$	-	\$	-	\$	-
Item 21*	CY 20xx-xx expenditures - State & Local Funds Spent for Children With Disabilities - RS 0000-2999; 6000-9999 Objects 1000-7999 and Goal 5XXX (excluding 5710 & 5730, preschool and Infants)			\$		\$	
Item 22**	Amount spent on children with disabilities in excess of requirement*	\$	-	\$	-	\$	-

Section f. Finally, determine how much was spent in PY 20xx-xx on district children with disabilities and verify this amount is equal to or exceeds the amount calculated in section e. above (FUNDS 01-09, 13, 61-62 ONLY)

\* Note: Item 21 is NOT the same as Item 8 above. Item 21 is the CY expenditure amount. Item 8 is PY expenditure amount. It does not include SACS supplemental form (PCRAF). Information from the PCRAF is not included in this worksheet.

\*\* Note: Item 22 should be a positive amount. If it is a negative amount, then the LEA has not met the excess cost requirement and may not use any of their federal IDEA Part B funds.

Special Education Director

Chief Business Officer

\_\_\_\_\_  
SELPA  
\_\_\_\_\_  
LEA

NUMBER OF FULL-TIME SPECIAL EDUCATION STUDENT EQUIVALENTS CALCULATOR  
(FTE of time spent in special education, excluding preschool and infants)  
FISCAL YEAR

<u>Percentage of Time</u>	<u>Total Special Education Pupil Count by Percentage</u>	<u>Percentage in General Education</u>	<u>Percentage in Special Education</u>	<u>Special Education FTE</u>
0% to 10%		10%	90%	0.00
11% to 20%		20%	80%	0.00
21% to 30%		30%	70%	0.00
31% to 40%		40%	60%	0.00
41% to 50%		50%	50%	0.00
51% to 60%		60%	40%	0.00
61% to 70%		70%	30%	0.00
71% to 80%		80%	20%	0.00
81% to 90%		90%	10%	0.00
91% to 100%	_____	_____99%	_____1%	_____0.00
Total	_____0	_____n/a	_____n/a	_____0.00

\* Enter total pupil count by percent of time

## **IDEA EXCESS COST**

<http://www.cde.ca.gov/sp/se/lr/ideareathztn.asp>  
Excerpted from Federal Register, Vol. 71, No. 156, Monday, August 14, 2006.

### **Major Changes in the Regulations (page 2)**

#### **Subpart A—General**

##### *Definitions*

- The definition of *excess costs* in § 300.16 has been revised to clarify that the computation of excess costs may not include capital outlay and debt service. In addition, a new “Appendix A to Part 300—Excess Cost Calculation” has been added to provide a description (and an example) of how to calculate excess costs under the Act and these regulations.

#### **§ 300.16 Excess costs.** (pages 219-220)

*Excess costs* means those costs 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, and that must be computed **after deducting—**

- (a) Amounts received—
  - (1) Under Part B of the Act;
  - (2) Under Part A of title I of the ESEA; and
  - (3) Under Parts A and B of title III of the ESEA and;
- (b) Any State or local funds expended for programs that would qualify for assistance under any of the parts described in paragraph (a) of this section, but excluding any amounts for capital outlay or debt service. (See Appendix A to part 300 for an example of how excess costs must be calculated.) (Authority: 20 U.S.C. 1401(8))

#### **Appendix A to Part 300—Excess Costs Calculation** (pages 275-276)

Except as otherwise provided, amounts provided to an LEA under Part B of the Act may be used only to pay the excess costs of providing special education and related services to children with disabilities. 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.

Section 602(8) of the Act and § 300.16 require the LEA to compute the minimum average amount separately for children with disabilities in its elementary schools and for children with disabilities in its secondary schools. LEAs may not compute the minimum average amount it must spend on the education of children with disabilities based on a combination

amounts in this section on the education of children with disabilities based on a combination of the enrollments in its elementary schools and secondary schools.

The following example shows how to compute the minimum average amount an LEA must spend for the education of each of its elementary school children with disabilities under section 602(3) of the Act before it may use funds under Part B of the Act.

a. First the LEA must determine the total amount of its expenditures for elementary school students from all sources—local, State, and Federal (including Part B)—in the preceding school year. Only capital outlay and debt services are excluded.

**Example:** The following is an example of a computation for children with disabilities enrolled in an LEA's elementary schools. In this example, the LEA had an average elementary school enrollment for the preceding school year of 800 (including 100 children with disabilities). The LEA spent the following amounts last year for elementary school students (including its elementary school children with disabilities):

(1) From State and local tax funds	\$6,500,000
(2) From Federal funds	<u>600,000</u>
Total Expenditures	7,100,000

Of this total, \$60,000 was for capital outlay and debt service relating to the education of elementary school students. This must be subtracted from total expenditures.

(1) Total Expenditures	\$7,100,000
(2) Less capital outlay and debt	<u>-60,000</u>
Total Expenditures for elementary school students less capital outlay and debt	\$7,040,000

b. Next, the LEA must subtract from the total expenditures amounts spent for:

- (1) IDEA, Part B allocation,
- (2) ESEA, Title I, Part A allocation,
- (3) ESEA, Title III, Parts A and B allocation,
- (4) State and local funds for children with disabilities, and
- (5) State or local funds for programs under ESEA, Title I, Part A, and Title III, Parts A and B.

These are funds that the LEA actually spent, not funds received last year but carried over for the current school year.

**Example:** The LEA spent the following amounts for elementary school students last year:

(1) From funds under IDEA, Part B allocation	\$ 200,000
(2) From funds under ESEA, Title I, Part A Allocation	250,000
(3) From funds under ESEA, Title III, Parts A and B Allocation	50,000
(4) From State funds and local funds for children with	500,000

(5)	disabilities	150,000
	From State funds and local funds for programs under ESEA, Title I, Part A and Title III, Parts A and B	<u>150,000</u>
	Total	<u>1,150,000</u>
(1)	Total Expenditures less capital outlay and debt	\$7,040,000
(2)	Other deductions	<u>-1,150,000</u>
	Total	<u>\$5,890,000</u>

c. Except as otherwise provided, the LEA next must determine the average annual per student expenditure for its elementary schools dividing the average number of students enrolled in the elementary schools of the agency during the preceding year (including its children with disabilities) into the amount computed under the above paragraph. The amount obtained through this computation is the minimum amount the LEA must spend (on the average) for the education of each of its elementary school children with disabilities. Funds under Part B of the Act may be used only for costs over and above this minimum.

(1)	Amount from Step b	\$5,890,000
(2)	Average number of students enrolled	800
(3)	\$5,890,000/800 Average annual per student expenditure	\$ 7,362

d. Except as otherwise provided, to determine the total minimum amount of funds the LEA must spend for the education of its elementary school children with disabilities in the LEA (not including capital outlay and debt service), the LEA must multiply the number of elementary school children with disabilities in the LEA times the average annual per student expenditure obtained in paragraph c above. Funds under Part B of the Act can only be used for excess costs over and above this minimum.

(1)	Number of children with disabilities in the LEA's elementary schools	100
(2)	Average annual per student expenditure	\$7,362
(3)	\$7,362 x 100. Total minimum amount of funds the LEA must spend for the education of children with disabilities enrolled in the LEA's elementary schools before using Part B funds.	\$736,200