

IDEA Excess Cost – State Charter Schools

Each Local Education Agency that receives Individuals with Disabilities Education Act (IDEA) grant funds shall document its IDEA excess cost calculation in accordance with the 34 CFR 300.202 and Appendix A. The Special Education Department at ISBE provides instructions for documenting the excess cost calculation, using the Annual Financial Report (AFR) as the basis for the calculation. State charter schools also are required to document IDEA excess costs. However, state charter schools do not complete AFRs, so another method must be used to document the IDEA excess cost calculation.

The charter school IDEA excess cost calculations, with accompanying auditor letters, are due to Special Education Department IDEA grant coordinators no later than **due date provided**.

Calculation and Documentation

The excess cost threshold is calculated by compiling all expenditures for the previous school year; subtracting capital outlay/noncapitalized equipment, debt service, special education expenses and any Elementary and Secondary Education Act Title I Part A and Title III Part A and B expenses; and dividing by the previous year's total student population for an average per pupil expenditure (APPE).

The APPE number is multiplied by the same year's special education population to determine the excess cost threshold. The IDEA excess cost threshold is the amount of state/local funds that the charter school must expend on students with Individualized Education Programs (IEPs) during the current year.

Verification

The excess cost verification is calculated by comparing the previous fiscal year excess cost threshold to the total of three levels of special education expenditures. *This step is not required for schools that are completing the excess cost worksheet for the first time.

Level 1 Expenditures - State and Local Special Education Expenditures

These are already identified and totaled with Step 1 – Expenditures. They consist of the charter school's direct expenditures for special education students who are not covered by their IDEA funds. This total will automatically be populated within the spreadsheet.

Level 2 Expenditures – Prorated Expenditures for All Students

These are expenditures for items that are equally available to all students (e.g., media, school lunch, school administration, attendance, guidance, etc.). These items are equally available to all students, so multiply the expenditures by the percentage of students with disabilities in the charter school. The percentage of students who are special ed will be calculated based on the number of students with IEPs divided by the total enrollment.

* To obtain the total expenditures allocated equally to all students, districts will need to identify and subtract the cost for direct instruction (teacher salaries for regular education classrooms) from the charter school's total adjusted expenditures.

* The total adjusted expenditures, less direct instruction will be multiplied by the percentage of students with disabilities in the district.

Level 3 Expenditures

These are expenditures for students with disabilities participating in general education. To determine the amount of direct instruction that can be included, one must look at the percentage of time the students with disabilities spend in general education classrooms.

* Charter schools will need to input the number of elementary and secondary students with IEPs who are in a regular classroom 80% or more of the day, 40-79% of the day, and 0-39% of the day.

* IWAS will consider the number of students with IEPs who are in general education classrooms for each of the three categories and calculate the amount of direct instruction that can be included for these students.

Other adjustments (usually non-applicable)

There are additional options to add or subtract expenditures from the above calculation. Most charter schools should meet excess costs using the three tiers previously detailed. A charter school that needs to use the other adjustments should include an explanation indicating the reason for additional expenditures to be added or subtracted.

Excess Cost Check

The total from all three levels of special education expenditures will be added together and compared to the excess cost threshold. A positive amount or a zero means the charter school met the IDEA excess cost threshold. A negative amount means it did not and it may be subject to repayment of federal funds.

**** Any district with a negative amount must contact its IDEA grant coordinator.****

Auditor Letter

A required auditor letter is an independent auditor's report on supplementary information; it needs to state that the information on the excess cost worksheet is fairly presented. A statement that the excess cost worksheet is fairly presented indicates that the auditor is certifying that the charter school has correctly calculated the special education expenditures and the excess cost threshold.

Resources

IDEA excess cost resources are available on the [IDEA grant webpage](#); however, most are based on the completion of the standardized excess cost worksheet using data from your annual audit. We recommend contacting your IDEA grant coordinator by email with any questions regarding the IDEA excess cost requirements.

Feel free to contact the district's grant coordinators.

Thank you in advance for your cooperation in completing this federal IDEA requirement.